

## CODE OF SOCIAL INSURANCE (TITLE AMEND. - SG 67/03)

*Prom. SG. 110/17 Dec 1999, amend. SG. 55/7 Jul 2000, amend. SG. 64/4 Aug 2000, amend. SG. 1/2 Jan 2001, suppl. SG. 35/10 Apr 2001, amend. SG. 41/24 Apr 2001, amend. SG. 1/4 Jan 2002, amend. SG. 10/29 Jan 2002, amend. SG. 45/30 Apr 2002, amend. SG. 74/30 Jul 2002, amend. SG. 112/29 Nov 2002, amend. SG. 119/27 Dec 2002, amend. SG. 120/29 Dec 2002, amend. SG. 8/28 Jan 2003, suppl. SG. 42/9 May 2003, amend. SG. 67/29 Jul 2003, suppl. SG. 95/28 Oct 2003, amend. SG. 112/23 Dec 2003, amend. SG. 114/30 Dec 2003, amend. SG. 12/13 Feb 2004, amend. SG. 21/16 Mar 2004, suppl. SG. 38/11 May 2004, amend. SG. 52/18 Jun 2004, amend. SG. 53/22 Jun 2004, amend. SG. 69/6 Aug 2004, amend. SG. 70/10 Aug 2004, amend. SG. 112/23 Dec 2004, amend. SG. 115/30 Dec 2004, amend. SG. 38/3 May 2005, amend. SG. 39/10 May 2005, amend. SG. 76/20 Sep 2005, amend. SG. 102/20 Dec 2005, amend. SG. 103/23 Dec 2005, amend. SG. 104/27 Dec 2005, amend. SG. 105/29 Dec 2005, amend. SG. 17/24 Feb 2006, amend. SG. 30/11 Apr 2006, amend. SG. 34/25 Apr 2006, amend. SG. 56/11 Jul 2006, amend. SG. 57/14 Jul 2006, amend. SG. 59/21 Jul 2006, amend. SG. 68/22 Aug 2006, corr. SG. 76/15 Sep 2006, amend. SG. 82/10 Oct 2006, amend. SG. 95/24 Nov 2006, amend. SG. 102/19 Dec 2006, amend. SG. 105/22 Dec 2006, amend. SG. 41/22 May 2007, amend. SG. 52/29 Jun 2007, amend. SG. 64/7 Aug 2007, amend. SG. 77/25 Sep 2007, amend. SG. 97/23 Nov 2007, amend. SG. 100/30 Nov 2007, amend. SG. 109/20 Dec 2007, amend. SG. 113/28 Dec 2007, amend. SG. 33/28 Mar 2008, amend. SG. 43/29 Apr 2008, amend. SG. 67/29 Jul 2008, amend. SG. 69/5 Aug 2008, amend. SG. 89/14 Oct 2008, amend. SG. 102/28 Nov 2008, amend. SG. 109/23 Dec 2008, amend. SG. 23/27 Mar 2009, amend. SG. 25/3 Apr 2009, amend. SG. 35/12 May 2009, amend. SG. 41/2 Jun 2009, amend. SG. 42/5 Jun 2009, amend. SG. 93/24 Nov 2009, amend. SG. 95/1 Dec 2009, amend. SG. 99/15 Dec 2009, amend. SG. 103/29 Dec 2009, amend. SG. 16/26 Feb 2010, amend. SG. 19/9 Mar 2010, amend. SG. 43/8 Jun 2010, amend. SG. 49/29 Jun 2010, amend. SG. 58/30 Jul 2010, amend. SG. 59/31 Jul 2010, amend. SG. 88/9 Nov 2010, amend. SG. 97/10 Dec 2010, amend. SG. 98/14 Dec 2010, amend. SG. 100/21 Dec 2010, amend. SG. 45/14 Jun 2011, amend. SG. 60/5 Aug 2011, amend. SG. 77/4 Oct 2011, amend. SG. 100/20 Dec 2011, amend. SG. 7/24 Jan 2012, amend. SG. 21/13 Mar 2012, amend. SG. 38/18 May 2012, amend. SG. 40/29 May 2012, amend. SG. 44/12 Jun 2012, amend. SG. 58/31 Jul 2012, amend. SG. 81/23 Oct 2012, amend. SG. 89/13 Nov 2012, amend. SG. 94/30 Nov 2012, amend. SG. 99/14 Dec 2012, amend. SG. 15/15 Feb 2013, amend. SG. 20/28 Feb 2013, suppl. SG. 70/9 Aug 2013, amend. SG. 98/12 Nov 2013, amend. SG. 104/3 Dec 2013, amend. SG. 106/10 Dec 2013, amend. SG. 109/20 Dec 2013, amend. SG. 111/27 Dec 2013, amend. SG. 111/27 Dec 2013, amend. SG. 1/3 Jan 2014, amend. SG. 18/4 Mar 2014, amend. SG. 27/25 Mar 2014, amend. SG. 35/22 Apr 2014, amend. SG. 53/27 Jun 2014, amend. and suppl. SG. 107/24 Dec 2014, amend. SG. 12/13 Feb 2015, amend. SG. 14/20 Feb 2015, amend. and suppl. SG. 22/24 Mar 2015, amend. and suppl. SG. 54/17 Jul 2015, amend. and suppl. SG. 61/11 Aug 2015, amend. and suppl. SG. 79/13 Oct 2015, amend. SG. 95/8 Dec 2015, amend. and suppl. SG. 98/15 Dec 2015, amend. SG. 102/29 Dec 2015, amend. SG. 62/9 Aug 2016, amend. SG. 95/29 Nov 2016, amend. and suppl. SG. 98/9 Dec 2016, amend. and suppl. SG. 105/30 Dec 2016, amend. and suppl. SG. 62/1 Aug 2017, amend. and suppl. SG. 92/17 Nov 2017, amend. and suppl. SG. 99/12 Dec 2017, amend. and suppl. SG. 103/28 Dec 2017, amend. and suppl. SG. 7/19 Jan 2018, amend. and suppl. SG. 15/16 Feb 2018, corr. SG. 16/20 Feb 2018, amend. SG. 17/23 Feb 2018, amend. and suppl. SG. 30/3 Apr 2018, amend. and suppl. SG. 46/1 Jun 2018, suppl. SG. 53/26 Jun 2018, amend. SG. 64/3 Aug 2018, suppl. SG. 77/18 Sep 2018, suppl. SG. 88/23 Oct 2018, amend. SG. 98/27 Nov 2018, amend. and suppl. SG. 102/11 Dec 2018, **amend. SG. 105/18 Dec 2018***

### **Subject**

Art. 1. (suppl. SG 1/02; amend., SG 67/03) This code settles the public relations regarding:

1. the state public insurance for general disease, labour accident, professional disease, motherhood, unemployment, old age and death;

2. the supplementary social insurance including:
  - a) the supplementary compulsory pension insurance for old age and death;
  - b) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the supplementary voluntary pension insurance through funds for supplementary voluntary pension insurance for old age, disability and death or through funds for supplementary voluntary pension insurance under professional schemes for old age;
  - c) the supplementary voluntary insurance for unemployment and/or professional qualification.

**Part one.**  
**STATE PUBLIC INSURANCE (amend., SG 67/03)**

**Chapter one.**  
**GENERAL PROVISIONS**

**Scope of social insurance**

Art. 2. (1) (prev. text of Art. 2 – SG 109/08, in force from 01.01.2009) The state public insurance shall provide compensations, supports and pensions for:

1. temporary incapacity to work;
2. temporary loss of capacity to work;
3. disability;
4. motherhood;
5. (new – SG 1/02) unemployment;
6. (prev. 5 – SG 1/02) old age;
7. (prev. 6 – SG 1/02) death.

(2) (new – SG 109/08, in force from 01.01.2009) Persons who are subject to state public insurance shall be insured at:

1. fund "General disease and motherhood" for general disease and motherhood, including insurance for temporary inability to work, temporary reduced ability to work and motherhood;
2. fund "Pensions" for disability due to general disease, old age and death;
3. (new - SG 61/15, in force from 01.01.2016) fund "Pensions of the persons under Art. 69" for invalidity, general disease and death;
4. (prev. text of Item 03 - SG 61/15, in force from 01.01.2016) fund "Labour accident and occupational disease" for labour accidents and occupational disease, including disability, death, temporary inability to work and temporary reduced ability to work as a result of labour accidents and occupational diseases;
5. (prev. text of Item 04 - SG 61/15, in force from 01.01.2016) fund "Unemployment" for unemployment.

(3) (new – SG 109/08, in force from 01.01.2009; amend. and suppl. - SG 61/15, in force from 01.01.2016) As regards to persons insured under Art. 4, para 1, insurance instalments shall be deposited in amounts specified for the funds "General disease and motherhood", "Pensions", "Pensions for the persons under Art. 69", "Labour accident and occupational disease", "Unemployment" and "Teachers retirement fund".

(4) (new – SG 109/08, in force from 01.01.2009) As regards to persons insured for labour accident and occupational disease, insurance instalments shall be deposited in amounts specified for the fund "Labour accident and occupational disease".

(5) (new – SG 109/08, in force from 01.01.2009) As regards to persons insured for disability as a result of general disease, for old age and death insurance instalments shall be deposited in amounts specified for the fund "Pensions".

(6) (new - SG 61/15, in force from 01.01.2016) The teachers shall be insured for retirement also in the Teachers retirement fund by means of a separate insurance payment.

### **Social insurance rules**

Art. 3. The state public insurance shall be carried out according to the following principles:

1. obligatory and comprehensive insurance;
2. solidarity of the insured persons;
3. equality of the insured persons;
4. social dialogue in the management of the insurance system;
5. a fund organisation of the insurance payments.

### **Insured persons**

Art. 4. (1) (amend. – SG 109/08, in force from 01.01.2009) Obligatory insured for general disease and motherhood, disability due to general disease, old age and death, Labour accident and occupational disease and unemployment under this Code shall be:

1. (suppl., SG 119/02; amend. - SG 68/06, in force from 01.01.2007; suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 49/10, in force from 01.07.2010; suppl. – SG 100/10, in force from 01.01.2011; amend. – SG 107/14, in force from 01.01.2015, suppl. – SG 98/16, in force from 01.01.2017) workers and employees, regardless of the character of the work, of the way of payment and of the source of financing, except for the persons referred to in Para. 10 and in Art. 4a, para 1; the persons included in safe motherhood programmes and employment promotion programmes shall not be insured for unemployment, if so provided in the respective programme;

2. (suppl. – SG 106/13, in force from 01.01.2014) the civil servants under the Civil Servants Act;

3. (New, SG 74/02; amend. – SG 105/06, in force from 01.01.2007; suppl. – SG 109/08, in force from 01.01.2009) the judges, prosecutors, investigators, state bailiffs, judges for the entries and court employees, as well as the members of the Supreme Judicial Council and the inspectors of the Inspectorate at the Supreme Judicial Council;

4. (amend., SG 64/00; prev. item 3 - SG 74/02; amend., SG 119/02; amend. - SG 68/06, in force from 01.05.2006; suppl. – SG 43/08, in force from 01.01.2008; amend. – SG 25/09, in force from 01.06.2009; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 99/12, in force from 01.01.2013; suppl. - SG 70/13, in force from 09.08.2013; suppl. - SG 61/15, in force from 01.01.2016; suppl. - SG 79/15, in force from 01.11.2015) the military servicemen under the Act on the Defence and Armed Forces of the Republic of Bulgaria, the reservists on active service under the Act on Armed Forces Reserve of the Republic of Bulgaria, the civil servants under the Ministry of Interior Act and the Execution of Penalties and Detention Act, the civil servants referred to in the State Agency for National Security Act, the State Intelligence Agency Act and under the Special Intelligence Devices Act, officers and sergeants under the Act on the National Service for Protection, as well as the persons referred to in Art. 69, para 6;

5. (amend. SG 1/02; prev. item 4 - SG 74/02) the members of co-operations exercising labour activity and receiving remuneration in the co-operation; the members of co-operations, working without legal labour relations at the co-operation shall not be ensured for unemployment;

6. (Prev. item 5 - SG 74/02; revoked – SG 107/14, in force from 01.01.2015)

7. (Prev. item 6 - SG 74/02, suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 99/12, in force from 01.01.2013; amend. – SG 106/13, in force from 01.01.2014; suppl. – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017) the managers and procurators of companies, of sole traders, of their branches and of the branches of foreign legal entities, members of

boards of directors, management and supervisory boards as well as the controllers of companies, assignees in bankruptcy and liquidators as well as the persons working under management contracts for unincorporated companies and persons entrusted with the management and/or control of state and municipal enterprises under Chapter Nine of the Commerce Act, their divisions or other legal entities established by law;

8. (new, SG 112/03; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013) the persons carrying out labour activity for elective positions, with exception of the persons under item 1, 5 and 7, as well as the priests with clerical rank of the Bulgarian Orthodox Church and other registered religions according to the Religions Act;

9. (new – SG 59/10, in force from 31.07.2010, repealed - SG 102/18, in force from 01.01.2019)

10. (new - SG 81/12, in force from 01.09.2012, amend. and suppl. – SG 98/16, in force from 01.01.2017) candidates for junior judges, junior prosecutors and junior investigators under the Judiciary System Act.

(2) (amend. SG 64/00, SG 1/02; amend. – SG 100/10, in force from 01.01.2011; revoked – SG 107/14, in force from 01.01.2015)

(3) (Declared anti-constitutional regarding the working retired persons included in the circle of the obligatorily insured persons under this legal text - Decision of Constitutional Court, SG No 55 of 2000) Obligatory insured for disability due to general disease, for old age and death shall be:

1. the persons registered as exercising free lance profession and/or craft activity;

2. (suppl. – SG 105/06, in force from 01.01.2007, amend. - SG 102/18, in force from 01.01.2019) the persons working as sole traders, owners or partners in commercial companies, natural persons – members of non-personalized companies and the persons who are taxed pursuant to Art. 26, Para. 7 of the Income Taxes on Natural Persons Act;

3. (declared anti-constitutional - Decision of the Constitutional Court, SG No 55 of 2000) **PhD students, if they are not insured for pension on other grounds;**

4. (amend., SG 64/00; amend., SG 112/03, amend. - SG 12/15) the registered farmers and tobacco producers;

5. (amend., SG 64/00; suppl., SG 119/02; amend. – SG 99/09, in force from 01.01.2010) the persons working without employment contract and receiving remuneration equal to or bigger than one minimum salary after its reduction by the expenses for the said activity, if they are not insured on other grounds during the respective month.

6. (new, SG 119/02) persons who work without legal terms of employment, insured on other grounds during the respective month, regardless of the size of the received remuneration.

(5) (new - SG 64/00; amend., SG 10/02; amend. – SG 60/11, in force from 05.08.2011) The persons commissioned to work abroad by a Bulgarian intermediary can insure themselves for disability due to a general disease, old age and death on the minimal insurable income for self-insured persons determined by the Budget of State Public Insurance Act.

(6) (new - SG 64/00; amend. and suppl. – SG 99/09, in force from 01.01.2010) The persons referred to in para3, items 1, 2, 4 to 6, to whom pension is granted shall insure themselves by their own choice.

(7) (new – SG 113/2007, in force from 01.01.2008; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 100/10, in force from 01.01.2011, suppl. - SG 102/18, in force from 01.01.2019) The wife/husband of a person, sent to a business trip to a diplomatic mission for a long period, may insure at her/his choice and at her/his expense for the time period he/she has resided abroad during the overseas mandate for disability due to general disease, old age and death, based on the minimum insurable income for self-insured persons, specified by the Budget of State Public Insurance Act for the respective year, provided that they are not insured on another ground or under the legislation of the host country pursuant to international agreement in force, to which the Republic of Bulgaria is a party or the European regulations on the coordination of social security systems.

(8) (new – SG 100/10, in force from 01.01.2011; revoked – SG 99/12, in force from 01.01.2013)

(9) (new – SG 58/12, in force from 01.08.2012, amend. - SG 12/15) Spouses of persons under para 3, item 1 and 4, who take part in their employment activities of the latter, with their consent, can be insured voluntarily and at their expense for disability due to sickness, old age and death, for general disease and maternity, if they are not insured pursuant to para 1 and/or para 3, items 1, 2 and 4, and/or Art. 4a. Insurance installments for spouses and persons under para 3, item 1 shall be due on the minimum insurance income for self-insured persons, defined by the Act on the Budget of the State Public Insurance, and as regards to the spouses and the persons referred to in para 3, item 4 – on the minimum insurance income for registered farmers and tobacco producers, fixed in the the Act on the Budget of the State Public Insurance.

(10) (new - SG 54/15, in force from 17.07.2015) The persons referred to in Art. 114a, Para 1 of the Labour Code shall be subject to insurance for general disease, seniority and death and for labour accident and professional disease.

(11) (new – SG 1/02; prev. par. 7, suppl. – SG 113/07, in force from 01.01.2008; prev. text of para 8, amend. – SG 100/10, in force from 01.01.2011; prev. text of para 9 – SG 58/12, in force from 01.08.2012; prev. text of Para 10 - SG 54/15, in force from 17.07.2015, amend. – SG 98/16, in force from 01.01.2017) The order for insuring of the self-insuring persons, of the persons, working without employment or official legal relation of the persons of para 7 and 9, and of the persons, sent to work abroad by Bulgarian employer or with mediation of a Bulgarian organisation, shall be provided by the Council of Ministers upon a proposal by the National Social Security Institute.

### **Insuring seafarers**

Art. 4a. (new – SG 99/09, in force from 01.01.2010) Seafarers shall obligatory be insured entirely for their own account for general disease and motherhood, disability due to general disease, old age, death, labour accident and occupational disease on the grounds of a selected monthly income within the frames of the minimum and the maximum amount of the insurable income of the self-insured persons, specified by the Budget of State Public Insurance Act for the respective year.

(2) The persons under para 1 may, if they wish, insure themselves also for unemployment entirely at their own expense on the grounds of a selected monthly income within the frames of the minimum and the maximum amount of the insurable income of the self-insured persons, specified by the Budget of State Public Insurance Act for the respective year.

(3) The persons under para 1 shall deposit insurance instalments in amounts, specified for the fund "Pensions", fund "General disease and motherhood", fund "Unemployment" and fund "Labour accident and occupational disease", in the following manner:

1. (amend. – SG 98/10, in force from 01.01.2011, amend. – SG, 99/17, in force from 01.01.2018) 19,8 % for fund "Pensions" as regards to persons born before 1 January 1960, and regarding persons working under the terms of I or II labour category – 22,8 %;

2. (amend. – SG 98/10, in force from 01.01.2011, amend. – SG, 99/17, in force from 01.01.2018) 14,8 % for fund "Pensions" as regards to persons born after 31 December 1959, regarding persons working under the terms of I or II labour category – 17,8 %;

3. 3,5 % for fund "General disease and motherhood";

4. 1 % for fund "Unemployment";

5. 1,1 % for fund "Labour accident and occupational disease";

6. (new - SG 61/15, in force from 15.08.2015) as regards seafarers that have made their choice under Art. 4b, Para 1, the increased insurance payment to the "Pensions" Fund shall be equal to the payment under Art. 157, Para 1, Item 1;

7. (new - SG 61/15, in force from 01.01.2016) as regards seafarers that have made their choice

under Art. 4c, Para 1, the increased insurance payment to the "Pensions" Fund shall be equal to the corresponding payment under Art. 157, Para 1, Item 2;

(4) The persons under para 1 may not define the final amount of the insurable income from employment relationship as seafarers.

(5) (amend. – SG 100/10, in force from 01.01.2011; amend. – SG 58/12, in force from 01.08.2012; amend. - SG 54/15, in force from 17.07.2015) The procedure for insuring the persons under para 1 and 2 shall be regulated by an act of the Council of Ministers as per Art. 4, para 11.

(6) In those cases where persons under para 1 receive income also from activities as per Art. 4, insurance instalments shall be deposited on the total amount of their insurable income, however not more than the maximum monthly amount of the insurable income, as follows:

1. (amend. – SG 107/14, in force from 01.01.2015, amend. – SG, 99/17, in force from 01.01.2018) income from activities of the persons under the continuity, indicated in Art. 4, para 1 and 10;

2. (new – SG, 99/17, in force from 01.01.2018) incomes from compensations, paid under the Labour Code or under special acts, on which insurance contributions are due;

3. (Former p. 2 – SG, 99/17, in force from 01.01.2018) the insurable income as seafarers;

4. (amend. - SG 12/15, former p. 3 – SG, 99/17, in force from 01.01.2018) insurable income as sole traders, owners or associates in trade or unincorporated companies or in unincorporated companies which carry out activity as freelancers or craftsmen, registered farmers and tobacco-growers.

5. (former p. 4 – SG, 99/17, in force from 01.01.2018) income from activity in non-employment relationship;

(7) (amend. – SG 94/12, in force from 01.01.2013, amend. - SG 102/18, in force from 01.01.2019) Insurance instalments of persons referred to in para 1 shall be deducted and paid by the employer by the 25th of the month following the month during which the labour activity has been carried out.

**Choice of changing the insurance type from supplementary compulsory pension insurance in a universal pension fund into "Pensions" Fund and into "Pensions of the persons under Art. 69" Fund (Title amend. - SG 61/15, in force from 15.08.2015)**

Art. 4b. (new – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 15.08.2015) (1) (Amend. – SG 92/17, in force from 01.01.2018) Those insured in a universal pension fund shall be entitled to a voluntarily change of their insurance from a universal pension fund into the "Pensions" Fund, respectively the "Pension of the persons under Art. 69" Fund, which shall involve an increased insurance payment equal to the amount of the insurance payment to a universal pension fund, no later than 5 years before their age referred to in Art. 68, Para 1, and provided that they have not been granted a pension for pensionable service and age.

(2) The persons under Para 1 may exercise their right of choice after the expiry of one year from the choice referred to in Art. 124a.

(3) (Amend. and suppl. - SG 102/18, in force from 01.01.2019) Persons shall exercise their choice under Para. 1 by submitting an application to the competent territorial directorate of the National Revenue Agency. The insurance of the persons under Para 1 shall commence from the first day of the months following the month, in which the choice has been made.

(4) (Amend. - SG 102/18, in force from 01.01.2019) The procedure and manner of choosing type of insurance, collecting and distributing the increased insurance payment of the persons under Para 1 shall be set out in the ordinance under Art. 179, Para 3 of the Tax-Insurance Procedure Code.

**Choice of changing the insurance type from supplementary compulsory pension insurance in a professional pension fund into "Pensions" Fund**

Art. 4c. (new - SG 61/15, in force from 01.01.2016) (1) Those insured in a professional pension

fund shall be entitled to a one-time voluntarily change of their insurance from a professional pension fund into the "Pensions" Fund, which shall involve an increased insurance payment equal to the amount of the insurance payment specified in Art. 157, Para 1, Item 2, provided that they have not been granted a pension for pensionable service and age or a professional pension for early retirement.

(2) (New - SG 102/18, in force from 01.01.2019) The persons shall exercise their choice under Para. 1 by submitting an application to the competent territorial directorate of the National Revenue Agency. Socially insuring the persons under the order of Para. 1 shall occur from the first day of the month following the month of the choice.

(3) (Previous Para. 2, amend. - SG 102/18, in force from 01.01.2019) The procedure and manner of choosing the type of insurance, collecting and distributing the increased insurance payment of the persons under Para 1 shall be set out in the ordinance under Art. 179, Para 3, of the Tax-Insurance Procedure Code.

### **Insurers**

Art. 5. (1) (amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 109/08, in force from 01.01.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) An insurer shall be each natural person, legal entity or unincorporated association as well as other organisations having a legal duty under this Act to make insurance contributions for other natural persons.

(2) (amend. and suppl. – SG 109/08, in force from 01.01.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) A self-insured person shall be a natural person obliged to make insurance contributions for his/her own account.

(3) (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006) The registration of the insurers and the self-insured persons in the National Social Security Institute shall be carried out officially on the basis of the information in the register and the database of the National Revenue Agency under art. 80, para 1 of the Tax-insurance Procedure Code.

(4) (amend. SG 1/02; prev. para 3 - SG 67/03, amend. SG 112/2004, amend. - SG 105/05, in force from 01.01.2006) The insurers, the insurance funds, the self-insured persons and the employers shall periodically present to the National Revenue Agency data about:

1. (amend. - 95/06, in force from 01.01.2007; suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010) the insurable income, the insurance payments for the state public insurance, "Teachers retirement fund", the health insurance and the supplementary compulsory pension insurance, instalments for the fund "Secured receivables of the workers and employees", the days of insurance and the taxable income under the Income Taxes on Natural Persons Act- separately about each worker or employee.

2. (amend. - 95/06, in force from 01.01.2007; amend. and suppl. – SG 105/06, in force from 01.01.2007; suppl. – SG 58/12, in force from 01.08.2012) an affidavit of the amounts of owed for insurance instalments for the state public insurance, "Teachers Retirement Fund", the health insurance, the supplementary compulsory pension insurance, the instalments for the fund "Secured receivables of the workers and employees", the insurance payments, the insurance labour practice and the taxable income under the Income Taxes on Natural Persons Act. An affidavit of the amounts of owed for insurance instalments for the state public insurance and for supplementary compulsory pension insurance shall also be submitted for the persons under Art. 4, para 5 and 9.

(5) (prev. para 4 - amend., SG 67/03, amend. SG 112/2004, revoked – SG 105/05, in force from 01.01.2006)

(6) (prev. para 5 - amend., SG 67/03, suppl. SG 38/05, amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007; suppl. – SG 100/10, in force from 01.01.2011) The contents, the terms, the way and the order for submission and preservation of the declarations of para 4 shall be determined by an ordinance, issued by the Minister of Finance in coordination with the Manager of the National Social Security Institute. Data under par. 4 shall be used

for calculation and granting of pensions, financial compensations and cash benefits.

(7) (prev. para 6 - amend., SG 67/03, amend. SG 38/0; amend. – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017) The insurer shall be obliged, within 14 days, to issue free of charge the documents for insurable practice and insurance income, and to certify facts and circumstances related thereto, at the request of:

1. the insured person or their representative - for periods prior to January 1, 2000;
2. the officials under Art. 40, para. 3, Art. 54g, para. 1 and Art. 98, para. 1.

(8) (new – SG 1/02; prev. para 7 - SG 67/03, amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010) The National Revenue Agency shall submit to the National Social Security Institute the data of para 4, item 1 concerning income from insurance instalments, data contained in the notifications under Art. 62, par. 3 of the Labour Code and the information on the opened and closed bank accounts of the insurers and the self-insured persons under art. 25, par. 1 from the National Revenue Agency Act. The order of presenting the information shall be determined by an instruction, issued jointly by the governor of the National Social Security Institute and the executive director of the National Revenue Agency.

(9) (new - SG 1/02; prev. para 8 - SG 67/03, revoked - SG 105/05, in force from 01.01.2006)

(10) (new – SG 38/05; suppl. - SG 104/05, in force from 27.12.2005; suppl. – SG 99/12, in force from 01.01.2013; suppl. - SG 22/15, in force from 01.01.2017) At termination of their activity the insurers who have no legal successor the payment lists shall be delivered to the respective territorial division of the National Social Security Institute unless in an Act provides otherwise for their preservation. To the payroll ledger shall be applied labour contracts (orders of appointment), orders of re-appointment, orders of used paid annual holidays more than 30 days, orders of termination of labour of official legal relationships. When the termination of the activity of the insurer is implemented with court decision for deletion or the deletion is subject to entry into the commercial register, the certificate for delivery of the payment lists, issued by the territorial division of the National Social Security Institute shall be obligatory condition for decreeing of the decision, respectively for making an entry into the commercial register, except in cases of ex officio deletion pursuant to Art. 17a para. 6 of the Commerce Act. When payrolls and other documents for insurable practice and insurance income for employees who have worked at branches of foreign traders deleted ex officio under Art. 17a para. 6 of the Commerce Act have not been transmitted to the respective territorial division of the National Insurance Institute to the date of deletion, those who keep them are required to deliver them within three months from the deletion.

(11) (new – SG 107/14, in force from 01.01.2015) Documents under para 10 shall be handled and delivered on behalf of insurers. In those cases where the operation of a company, in which the sole shareholder is the state or a municipality, is being terminated and there is no way to process and deliver the documents on behalf of the company, the funds shall be provided by the ministry or the municipality exercising the rights of the sole shareholder.

(12) (new – SG 38/05; prev. text of para 11 - SG 107/14, in force from 01.01.2015) The National Social Security Institute shall create and maintain information system about the payment lists delivered by the order of para 10. The data from the information system shall be used for calculating and granting of the pensions and the cash benefits.

(13) (new – SG 105/06, in force from 01.01.2007; prev. text of para 12 - SG 107/14, in force from 01.01.2015) The Chief Executive of the National Social Insurance Institute shall issue instructions for the conditions and the procedure of acceptance and keeping of the documents under par. 10.

(14) (new – SG 19/10; prev. text of para 13 - SG 107/14, in force from 01.01.2015) Every six months the Executive Director of the National Revenue Agency shall draw up and submit to the Ministry of Labour and Social Policy and to the supervisory council of the National Insurance Institute information of the amount of the collected social insurance payments, the tendencies and the measures undertaken for collecting them.



### **Insurance payments and insurable income (title amend. SG 1/02)**

Art. 6. (amend. SG 1/02) (1) (amend. SG 112/2004; amend. - SG 104/05, in force from 01.01.2006; amend. – SG 109/08, in force from 01.01.2009) (1) The amounts of the insurance payments shall be deposited at the state public insurance funds, as follows:

1. (amend. – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011; suppl. – SG 60/11, in force from 05.08.2011; amend. – SG 99/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016) for fund "Pensions", respectively fund "Pensions of the persons under Art. 69", as regards to persons, born before 1 January 1960:

a) 17,8 percent for those working under the terms of I or II labour category, and for the persons under Art. 69a – 20,8 percent;

b) (amend. – SG 98/16, in force from 01.01.2017) 60,8 percent for the persons under Art. 69;

2. (amend. – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011; suppl. – SG 60/11, in force from 05.08.2011; amend. – SG 99/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016) for fund "Pensions", respectively fund "Pensions of the persons under Art. 69", as regards to persons, born after 31 December 1959:

a) 12,8 percent for those working under the terms of I or II labour category, and for the persons under Art. 69a – 15,8 percent;

b) (amend. – SG 98/16, in force from 01.01.2017) 55,8 percent for the persons under Art. 69;

3. (new – SG 99/12, in force from 01.01.2013; amend. – SG 106/13, in force from 01.01.2014) for the persons referred to in Art. 127, Para 5 the insurance installment for "Pensions" fund under item 2 shall be increased by 5 percentage points;

4. (new – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 01.01.2016) the insurance payment to the "Pensions" Fund shall be increased as follows:

a) from 1 January 2017 - with 1 percentage point, of which 0,56 shall be at the expense of the insurer and 0,44 at the expense of the insured person;

b) from 1 January 2018 - with 1 percentage point, of which 0,56 shall be at the expense of the insurer and 0,44 at the expense of the insured person;

5. (prev. text of Item 03 – SG 99/12, in force from 01.01.2013; prev. text of item 4 – SG 107/14, in force from 01.01.2015) 3,5 % for fund "General Disease and Motherhood";

6. (prev. text of Item 04 – SG 99/12, in force from 01.01.2013; prev. text of item 5 – SG 107/14, in force from 01.01.2015) 1 % for fund "Unemployment";

7. (prev. text of Item 05 – SG 99/12, in force from 01.01.2013; prev. text of item 6 – SG 107/14, in force from 01.01.2015) from 0,4 to 1,1 % for fund "Labour accident and occupational disease", specified by the Budget of State Public Insurance Act for the respective year by groups of main economic activities.

(2) (suppl. – SG 105/06, in force from 01.01.2007; suppl. – SG 99/09, in force from 01.01.2010) The income for which are due insurance payments shall include all the remunerations, including the accounted and non-paid or non-accounted ones and other incomes from labour activity. With the Budget of State Public Insurance Act shall be determined:

1. the maximum monthly amount of the insurable income during the calendar year;

2. (amend. – SG 98/10, in force from 01.01.2011, amend. – SG, 99/17, in force from 01.01.2018) the minimum monthly amount of the insurable income during the calendar year for the self-insuring persons;

3. (new, SG 119/02) the basic economic activities and qualification groups of professions, introduced for which is a minimal monthly size of insurable income for the calendar year for activities and groups of professions, as well as the minimal insurable income for them.\

(3) (amend., SG 119/02; amend., SG 112/03; suppl. – SG 105/06, in force from 01.01.2007;

amend. – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011; amend. and suppl. – SG 60/11, in force from 05.08.2011, amend. - SG 102/18, in force from 01.01.2019) The insurance payments for the workers and the employees and for persons under art. 4, para 1, items 7 and 8 shall be due for the received, inclusive the accounted and non-paid gross monthly remuneration or non-assigned monthly remuneration, but not more than the maximum monthly amount of the insurable income under para 2, item 3, and as regards to the persons, for whom a minimum insurable income is not specified – the minimum monthly remuneration for the state, and not more than the maximal monthly amount of the insurable income. The insurance instalments for the workers and employees and for the persons under art. 4, para 1, items 5, 7 and 8, and para 3, item 5 and 6 shall be distributed between the insurers and the insured as follows:

1. for years 2000 and 2001 - 80:20;
2. for year 2002 - 2004 - 75:25;
3. for year 2005 - 70:30;
4. for year 2006 - 65:35;
5. (amend. – SG 105/06, in force from 01.01.2007) for year 2007 - 63:35;
6. (amend. – SG 105/06, in force from 01.01.2007) for year 2008 - 60:40;
7. (amend. - SG 77/07, in force from 01.10.2007; amend. – SG 109/08, in force from 01.01.2009) from 1 January 2009 the insurance instalments for the funds "General disease and motherhood" and "Unemployment" shall be in ratio 60:40;

8. (amend. – SG 109/08, in force from 01.01.2009; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011) from 1 January 2011 the insurance instalments for the fund "Pensions" regarding persons born before 1 January 1960, as well as for persons under Art. 127, Para. 5, working with employment relations, shall be shared out as follows:

- a) 7,9 percent for the account of the insured person and regarding the self-insured person – 17,8 percent;

- b) (suppl. – SG 100/11, in force from 01.01.2012) 9,9 percent at the expense of the insurer, and when the person works under the terms of I and II labour category as well as regarding persons under Art. 69a – 12,9 percent;

9. (new – SG 109/08, in force from 01.01.2009; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011) from 1 January 2011 the insurance instalments for the fund "Pensions" as regards to persons born after 31 December 1959, shall be shared out, as follows:

- a) 5,7 percent for the account of the insured person and regarding the self-insured person – 12,8 percent;

- b) (suppl. – SG 100/11, in force from 01.01.2012) 7,1 percent at the expense of the insurer, and when the person works under the terms of I and II labour category as well as regarding persons under Art. 69a – 10,1 percent;

10. (new - SG 61/15, in force from 15.08.2015) in respect of the persons under Art. 4b, Para 1, who have chosen to change their insurance type from a universal pension fund into the "Pensions" fund, respectively the "Pensions of the persons under Art. 69" fund, the increased insurance payment to the "Pensions" fund, respectively to the "Pensions of the persons under Art. 69" fund, shall be equal to the amount of the payment under Art. 157, Para 1, Item 1; the payment shall be split between the insurer and the insured person in accordance with the amounts specified in Art. 157, Para 3;

11. (new - SG 61/15, in force from 15.08.2015) in respect of the persons under Art. 4c, Para 1, who have chosen to change their insurance type from a professional pension fund into the "Pensions" fund, respectively the "Pensions of the persons under Art. 69" fund shall be equal to the amount of the payment under Art. 157, Para 1, Item 2.

- (4) (amend., SG 119/02; amend. – SG 109/08, in force from 01.01.2009) The remuneration of the persons of Art. 4, para. 3, item 5 and 6 for which insurance instalments are due shall be determined after decreasing it with the expenses for the activity, specified according to the Income Taxes on Natural

Persons Act.

(5) (Amend., SG 74/02; suppl., SG 119/02; suppl. – SG 105/06, in force from 01.01.2007; amend. - SG 81/12, in force from 01.09.2012; suppl. – SG 99/12, in force from 01.01.2013) The insurance payments for the persons of art. 4, para 1, items 2, 3, 4 and 10 shall be due for the received or accounted but not paid gross monthly remuneration for these legal relations, but for not more than the maximum monthly amount of the insurable income and no less than the minimum working salary in the country, and shall be for the account of the state budget, respectively the budget of the judicial authority.

(6) (suppl.. – SG 99/09, in force from 01.01.2010) The insurance payments for fund "Labour accident and professional disease", except for the instalments for the persons referred to in Art. 4a, para 1, shall be for the account of the insurers.

(7) (new - SG 61/15, in force from 01.01.2016) The insurance payment to the Teachers' pension fund shall amount to 4,3 percent and shall be entirely at the expense of the insurer.

(8) (amend.. – SG 99/09, in force from 01.01.2010; prev. text of Para 07 - SG 61/15, in force from 01.01.2016) The insurance payments for the persons of art. 4, para 3, items 1, 2 and 4 shall be for the account of the insured persons and they shall be due in advance: for monthly insurable income between the minimum and the maximum monthly amount of the income, determined with the Budget of State Public Insurance Act for the corresponding year.

(9) (suppl., SG 19/02; amend. - 95/06, in force from 01.01.2007; suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 99/09, in force from 01.01.2010; suppl. – SG 107/14, in force from 01.01.2016; prev. text of Para 08, amend. - SG 61/15, in force from 01.01.2016; amend. - SG 98/15, in force from 01.01.2016) The ultimate amount of the monthly insurable income for the persons of para 8 shall be calculated for the period throughout which has been carried out labour activity during the previous year on the basis of the data, declared in a reference to the annual tax declaration under the Income Taxes on Natural Persons Act, provided that the said amount cannot be less than the minimum monthly insurable income and may not exceed the maximum monthly insurable income. The final insurance instalments shall be due by the insured persons on the annual insurable income in the amounts fixed for the fund "Pensions" and for supplementary compulsory pension insurance and within the amounts for fund "General disease and motherhood" for self-employed persons who have chosen to be insured in this Fund within the term, set for submitting of the declaration. The annual insurable income shall be calculated as a difference between the declared or the determined by the revenue authorities pursuant to the Tax-insurance Procedure Code taxable income for carrying out the labour activity and the sum of the incomes, for which advance insurance payments have been made. Where by the tax declaration for the preceding year is declared income from activity which has been carried out during previous years, or is determined in a revision act pursuant to the Tax-insurance Procedure Code, the person shall also submit a correction reference note for the insurable income for the respective year.

(10) (amend., SG 112/03; amend. - SG 12/15; prev. text of Para 09 - SG 61/15, in force from 01.01.2016) Farmers and tobacco producers registered on the basis of a statutory instrument, manufacturing unprocessed plant and / or animal products, shall not determine the final amount of the insurance income for this activity. Insurance contributions for these persons may be paid by Farmer Support Funds following a procedure set out by the Council of Ministers.

(11) (prev. text of Para 10 - SG 61/15, in force from 01.01.2016) For the persons, who receive income from activities on different grounds under art. 4 the insurance payments shall be made for the sum of their insurable incomes, but not more than the maximum amount of the insurable income by the following order:

1. (amend. – SG 109/08, in force from 01.01.2009; amend. – SG 107/14, in force from 01.01.2015; suppl. - SG 54/15, in force from 17.07.2015, amend. – SG 98/16, in force from 01.01.2017) income from activities of the persons according to the succession laid out in Art. 4, para 1 and 10;

2. (new - SG 98/16, in force from 01.01.2017) income from benefits paid under the Labour

Code or under special acts, on which contributions are due;

3. (\*) (amend., SG 112/03; suppl. – SG 109/08, in force from 01.01.2009; amend. - SG 12/15; prev. item 2 - SG 98/16, in force from 01.01.2017) insurable income as sole entrepreneurs, owners or partners in commercial companies or unregistered partnerships, exercising freelance profession and/or craft activity and registered farmers and tobacco producers;

4. (prev. item 3 - SG 98/16, in force from 01.01.2017) incomes for work without labour legal relation.

(12) (suppl. – SG 109/08, in force from 01.01.2009; amend. – SG 100/11, in force from 01.01.2012; amend. – SG 107/14, in force from 01.01.2015; prev. text of Para 11, suppl. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) For the resources for social expenses, given permanently or regularly directly to the persons of art. 4, para 1 in money or in kind, shall be paid insurance payments in the amount for fund "Pensions", or the "Pension of the persons under Art. 69" fund respectively, determined respectively by the order of para 3, 5, 6 and 7.

(13) (prev. text of Para 12 - SG 61/15, in force from 01.01.2016) The insurance payments for the account of the insurers cannot be withdrawn from the remuneration of the insured. It cannot be deducted with their extent.

(14) (prev. text of Para 13 - SG 61/15, in force from 01.01.2016) The elements of the remuneration, as well as the incomes, for which insurance payments are made, shall be determined with an act of the Council of Ministers upon a proposal of the National Social Security Institute.

(15) (new, SG 119/02; amend. - 95/06, in force from 01.01.2007; prev. text of Para 14, amend. - SG 61/15, in force from 01.01.2016) The reference under para 9 to the annual tax declaration according to the Income Taxes on Natural Persons Act shall be approved by the Minister of Finance and the Governor of the National Social Security Institute.

(16) (new – SG 107/14, in force from 01.01.2015; prev. text of Para 15 - SG 61/15, in force from 01.01.2016) The maximum insurable income under summarized calculation of working time for more than a month shall be equal to the sum of the maximum insurable income for the time period, for which summary calculation of working time has been established.

(17) (new - SG 98/16, in force from 01.01.2017) The minimum insurable income under summary calculation of working hours for more than one month shall equal the sum of the minimum insurable income under par. 2, item 3, and for persons, for whom no minimum insurable income is determined - the minimum wage in the country for the months in the period, for which summary calculation of working hours has been established.

### **Insurance payments and insurable income of persons on official trip in another Member State of the European Union, in another contracting country to the Agreement on the European Economic Area or in the Swiss Confederation**

Art. 6a. (new – SG 19/10, in force from 14.09.2010) (\*) (1) (suppl. – SG 100/11, in force from 01.01.2012; suppl. - SG 7/12; amend. and suppl. - SG 105/16, in force from 30.12.2016, suppl. – SG, 99/17, in force from 01.01.2018) Insurance payments for seconded employees or employees sent under the order of Art. 121a, Para 1, item 1 and para 2, item 1 of the Labour Code and in the meaning of Art. 12, Para. 1 of Regulation (EC) N 883/2004 of the European Parliament and of the Council of 29 April 2004, on coordination of the social security systems, shall be due for received, respectively accrued and non-paid, gross monthly remunerations or non-accrued monthly remunerations, as well as for other income from labour activities in the host country or in Bulgaria, but shall not be under the minimum rates for labour remuneration in the host country and, as regards to workers and employees seconded or sent in a state where no minimum rates of pay are fixed – the minimum insurance income under Art. 6, para 2, item 3 and shall not exceed the maximum monthly amount of the insurable income under Art. 6, Para 2, Item 1.

(2) The insurance payments for the persons under Para 1 shall be due in the amounts under Art. 6, Para 1 and shall be split between the insurers and the insured under the order of Art. 6, Para 3.

**Procedure for payment of insurance contributions (title amend. SG 1/02)**

Art. 7. (1) (amend. SG 1/02; amend. – SG 94/12, in force from 01.01.2013; amend. – SG 107/14, in force from 01.01.2015) The insurance payments for the state public insurance for the persons under Art. 4, Para 1 shall be made by the insurers by the 25th of the month following the month of providing the labour.

(2) (amend. SG 1/02; suppl. – SG 109/08, in force from 01.01.2009; amend. – SG 94/12, in force from 01.01.2013) On the additional income from labour after the time limit under Para 1 the insurance payments for the month of providing the labour shall be made by the insurers by the 25th of the month following the month of calculation or payment of the income.

(3) (new – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010; revoked – SG 94/12, in force from 01.01.2013)

(4) (amend. SG 1/02; prev. par. 3 – SG 105/06, in force from 01.01.2007; amend. – SG 94/12, in force from 01.01.2013, suppl. – SG, 99/17, in force from 01.01.2018) The insurance payments under Art. 6, Para. 8 for the self-insuring shall be paid personally or through insurance funds till the 25th day of the month following the one they are due for.

(5) (\*) (new - SG 64/00 - in force from August 1, 2000; amend., SG 112/03; prev. par. 4 – SG 105/06, in force from 01.01.2007; revoked. – SG 99/09, in force from 01.01.201; new – SG 1-9/13, in force from 01.01.2014; amend. - SG 18/14, in force from 04.03.2014, amend. – SG, 99/17, in force from 01.01.2018) If there are several public liabilities, self-insured persons and the persons referred to in Art. 4, para 9 may declare which obligations for state social insurance contributions they pay off following a procedure set out in the ordinance under Art. 5, para 6. In these cases, Art. 169, para 5 and para 6 of the Tax-Insurance Procedure Code shall not apply.

(6) (new – SG 1/02; prev. par. 5 – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013) The insurance payments for the persons, who work without labour legal relation, shall be paid by the insurer till the 25th of the month in which remuneration is paid.

(7) (new – SG 1/02, amend. - SG 105/05, in force from 01.01.2006, amend. - SG 34/06, in force from 01.10.2006; prev. par. 6 – SG 105/06, in force from 01.01.2007, suppl. - SG 102/18, in force from 01.01.2019) The employers, the insurers, the self-insured persons, the persons under Art. 4, Para. 9 and the insurance funds shall deposit to the respective account of the competent territorial directorate of the National Revenue Agency through the respective banks, licensed post operator or their departments the obligatory insurance instalments, using the unified identification code.

(8) (new – SG 1/02; amend. - SG 104/05, in force from 27.12.05; prev. par. 7, suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 94/12, in force from 01.01.2013; suppl. – SG 107/14, in force from 01.01.2015) Insurers and self-insured persons who have chosen to be insured for General disease and motherhood shall pay insurance contributions separately for each month.

(9) (new – SG 1/02; amend. - SG 104/05, in force from 27.12.2005; prev. par. 8 – SG 105/06, in force from 01.01.2007; revoked – SG 94/12, in force from 01.01.2013)

(10) (new – SG 1/02; prev. par. 9 – SG 105/06, in force from 01.01.2007; amend. – SG 94/12, in force from 01.01.2013) The insurers, who do not have bank account, shall pay the insurance payments in cash at the banks and at the post branches and stations.

(11) (new – SG 1/02; prev. par. 10 – SG 105/06, in force from 01.01.2007; amend. – SG 94/12, in force from 01.01.2013) The part of the insurance payments, which is for the account of the insured persons according to art. 6, para 3, shall not be withheld from the advance payments.

(12) (new - SG 106/13, in force from 01.01.2014) Insurance installments for the time periods

under Art. 9, para 3 shall be paid by insurers:

1. by 25th day of the month, following the month during which has entered into force the act establishing the illegal non-admission to work or suspension from work, and in the cases of reinstatement under the terms of special laws – by 25th day of the month, following the month of reinstatement;

2. by 25th day of the month, following the month during which has entered into force the act which recognizes the illegality of the dismissal by the competent authority

3. by 25th day of the month, following the month for which the benefit is due to the reassigned person who is not assigned on adequate position;

4. by 25th day of the month, following the month during which the unemployment benefit has been paid up.

(13) (new - SG 54/15, in force from 17.07.2015) The insurance payments for state public insurance for the persons under Art. 114a, Para 1 of the Labour Code shall be paid in advance on at least the minimum monthly insurance income under Art. 6, Para 2, Item 3.

### **Insurance funds**

Art. 8. (1) (amend., SG 64/00; amend. - SG 104/05, in force from 01.01.2006, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 58/12, in force from 01.08.2012) The insurers, the self-insured persons as well as the persons referred to in Art. 4, para 9 shall be able to establish insurance funds which are registered at the territorial directorate of the National Revenue Agency. The insurance funds shall carry out the insurance of their members. The insurers who are members of the insurance funds and have hired up to 50 employees can carry out their insurance, as well as the insurance of the persons working for them without legal terms of employment, through the insurance funds.

(2) (amend., SG 64/00) The insurance funds shall implement the insurance of the persons under para 1 by:

1. (amend., SG 64/00, SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. and suppl. – SG 105/06, in force from 01.01.2007) collecting and transferring within the legally set terms the due insurance payments for the state public insurance, for the supplementary compulsory pension insurance, for health insurance and the instalments for the fund "Secured receivables of workers and employees" and transferring them to the respective accounts of the National Revenue Agency;

2. (amend. – SG 105/06, in force from 01.01.2007) submit to the respective territorial unit of the National Social Security Institute the required documents for payment of the financial compensations and financial supports from the state public insurance;

3. register and preserve the documents connected with the insuring of the members of the fund.

(3) (suppl. - SG 105/05, in force from 01.01.2006) The way and the order for establishing and functioning of the insurance funds shall be provided with an act of the Council of Ministers upon proposal by the National Social Security Institute, coordinated with the National Revenue Agency.

### **Pensionable service (title amend. SG 1/02)**

Art. 9. (amend. SG 1/02) (1) (amend., SG 119/02. amend. SG 112/2004) The pensionable service shall be calculated in hours, days, months and years. As pensionable service shall be considered:

1. (amend. and suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015; suppl. - SG 54/15, in force from 17.07.2015. suppl. – SG, 99/17, in force from 01.01.2018, amend. - SG 102/18, in force from 01.01.2019) the time, during which the persons of art. 4, para 1, item 1, and Para 10 have worked during a legally established time, if the insurance instalments have been paid or due on the received, accounted and non-paid, as well as non-accounted remuneration, but not less than the minimal insurable income under art. 6, para 2, item 3 for the respective profession; if the person has worked part time the insurance time of practice shall be considered proportionally to

the legally established working time;

2. (amend. – SG 100/10, in force from 01.01.2011; amend. - SG 81/12, in force from 01.09.2012, amend. - SG 102/18, in force from 01.01.2019) the time for which insurance instalments have been paid or due on no less than the minimal salary for the country for the persons under art. 4, para 1, items 5 and 10 and para 3, item 5; when the remuneration of the persons under art. 4, para 1, items 5 and 10, on which the insurance instalments have been made, is less than the minimal salary for the country, the time of practice shall be considered proportionally;

3. (amend., SG 112/03 (\*), suppl. – SG 98/16, in force from 01.01.2017) the time for which insurance instalments have been paid or due for the persons under art. 4, para 1, item 7 and 8 on no less than the minimal insurable income under art. 6, para 2, item 3, and for persons, for whom no minimum insurable income is determined - the minimum salary in the country;

4. (suppl. – SG 99/09, in force from 01.01.2010; amend. - SG 98/15, in force from 01.01.2016, amend. – SG 98/16, in force from 01.01.2017) the time for which the due insurance instalments have been made under Art. 6, Para 8 by the self-insured persons and the due insurance instalments by the persons under Art. 4a, Para 1;

5. (new – SG 109/08, in force from 01.01.2009; suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015) the time period during which the persons referred to in Art. 4, para 1, items 1 through 4, for whom minimum insurable income under Art. 6, para 2, item 3 has not been specified, have worked full time legally, provided that insurance instalments have been deposited or are due on the received and non-paid as well as non-accounted remuneration, however on an amount not less than the minimum salary for the state; in case the person has worked part-time, the period of coverage shall be calculated pr rata to the working time set by the law as regards to the person, provided that insurance instalments are deposited or due on the respective proportional share of the minimum salary.

(2) As pensionable service without making insurance payments, shall be considered the time:

1. (amend., SG 52/04, In force from 1st of August 2004) of paid and non paid leave for taking bringing up a child;

2. (amend. and suppl. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) of paid and non paid leave for temporary inability to work, of pregnancy and childbirth, for childbirth and adoption of a child up to 5 years of age;

3. of the non-paid leave up to 30 days during one calendar year;

4. during which the person has received unemployment benefit;

5. (new – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) during which the self-insured persons, which are insured for disability as a result of general disease, old age and death and for general disease and motherhood, have received financial compensations for provisional inability to work, pregnancy and delivery and taking care of a young child, as well as in the cases of adoption of a child up to 5 years of age, and the periods of temporary inability to work, pregnancy and delivery and taking care of a young child, as well as in the cases of adoption of a child up to 5 years of age, for which they have not been entitled to get a financial compensation.

(3) As pensionable service shall also be considered the time:

1. (amend., SG 119/02; suppl. – SG 99/09, in force from 01.01.2010; suppl. – SG 99/12, in force from 01.01.2013) during which the persons of art. 4, para 1, items 1, 2, 3 and 4 and Art. 4a, Para. 1 have not worked due to unlawful not admitting or removing from work, or where dismissed and consequently restored to work as set out in special laws; for this period shall be considered insurance payments for the account of the insurer, and as regards to the persons referred to in Art. 4a, para 1 – by their employer for the last gross remuneration, if the person has not been insured; if the person has been insured on another ground, the insurance payments shall be made for the difference between the last gross remuneration and the insurable income for the period, if this income is smaller;

2. (amend., SG 119/02; suppl. – SG 99/09, in force from 01.01.2010; suppl. – SG 99/12, in force from 01.01.2013) during which the persons of art. 4, para 1, items 1, 2, 3 and 4 and Art. 4a, Para. 1 have been unemployed due to dismissal, which has been recognized as unlawful by the competent bodies – from the date of the dismissal till the restoration at work, but not after the expiry of 14 days from entry into force of the act, in which the unlawfulness of their dismissal was recognized by the competent authority; for this period shall be paid insurance payments for the account of the insurer, and as regards to the persons referred to in Art. 4a, para 1 – by their employer for the last gross remuneration, if the person has not been insured; if the person has been insured, the insurance payments shall be made for the difference between the last gross remuneration and the insurable income for the period, if this income is smaller;

3. (amend. – SG 15/13, in force from 01.01.2014) during which the dismissed due to detention by the authorities has remained unemployed as result of this, and he has not been convicted, or has been acquitted, or the punitive procedure has been terminated, or the imposed penalty imprisonment has been recognized by the respective court as ungrounded because he has not committed the act or the committed act does not constitute a crime; for this period insurance payments shall be made for the account of the state budget for the last gross remuneration;

4. during which the labour readjusted person does not work because appropriate work has not been ensured by the insurer according to the instructions of the health authorities; for this period insurance payments shall be made for the account of the insurer for the compensation due;

5. (amend. – SG 99/09, in force from 01.01.2010) during which the person has received compensation for the time, during which he has remained unemployed under the Labour Code, the Civil Servant Act and the Higher Education Act; for this period insurance payments shall be made for the received compensation; for the workers and the employees the insurance payments shall be allocated according to art. 6, para 3, items 8 and 9.

(4) The pensionable service in the cases of para 3, items 1- 4 shall be considered of the category of labour in which the person has worked before the unlawful non admitting or removal from work, the dismissal, the serving of penalty imprisonment and the time, during which the labour adjusted do not work, if this is more favourable for the person.

(5) (suppl. – SG 100/11, in force from 01.01.2012; suppl. - SG 61/15, in force from 01.01.2016, suppl. – SG, 99/17, in force from 01.01.2018) The insurance payments of para 3 shall be in the amounts for fund "Pensions", or the "Pensions of the persons under Art. 69" respectively, and for the supplementary compulsory pension insurance and the Teachers' Pension Fund. In the cases under Para. 3, p. 5 no insurance contributions are due for the Teachers' Pension Fund.

(6) (amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 15.08.2015, amend. – SG, 99/17, in force from 01.01.2018, amend. – SG 105/18, in force from 01.01.2020) As pensionable service at retirement shall be considered the time, during which care is taken for a person, to whom assistance is designated. The length of service shall be accounted for one of the following persons: husband (wife), parent (adoptive parent) or one of the parents of the mother or the father of the disabled person. The pensionable service shall be recognised, provided that during the same period the person, who has laid the cares has not been insured or has received personal pension. At retirement for the period, which is recognized as pensionable service, shall be paid insurance payments in the amount for fund "Pensions" for the minimum salary by the date of giving the pension, which are for the account of the state budget.

(7) (amend. – SG 15/13, in force from 01.01.2014) As pensionable service at retirement shall be considered also the period of conscript or peace time alternative service and the time, during which a non working mother has brought up a child up to 3 years of age. For this periods shall be paid insurance payments in the amount for fund "Pensions" for the account of the state budget for the minimum salary by the date of giving the pension.

(8) (revoked - SG 61/15, in force from 01.01.2016)



(9) (revoked - SG 61/15, in force from 01.01.2016)

(10) (revoked - SG 61/15, in force from 01.01.2016)

(11) (new, SG 119/02, suppl. – SG 98/16, in force from 01.01.2017) The order and the way of certifying and calculating the insurance time of service shall be determined by an ordinance of the Council of Ministers at a proposal of the National Social Security Institute.

### **When payment of insurance contributions by persons is deemed as pensionable service**

Art. 9a. (new – SG 100/10, in force from 01.01.2011) (1) (amend. – SG 99/12, in force from 01.01.2013) As pensionable service upon retirement, if not recognized on other grounds, shall be recognized:

1. the period of education of the persons possessing higher or semi-higher educational degree, without exceeding the period of education, specified in the curriculum for the respective course;

2. the period of the doctoral course as determined in an Act in respect of the persons who have acquired doctoral educational and research degree.

(2) Upon retirement as pensionable service shall be considered the time period during which the persons have reached the age specified in Art. 68, para 1, however they are short of 5 years of pensionable service to acquire pension right as per Art. 68, para 1, and provided that insurance instalments are deposited, calculated on the grounds of the minimum insurable income for self-insured persons, specified by the Budget of State Public Insurance Act by the date of remittance of the said instalments.

(3) (amend. – SG 94/12, in force from 01.01.2013) Insurance contributions under para 1 and 2 shall be paid by bank transfer following the filing of a statement as set out in the ordinance issued by the Minister of Finance under Art. 5, Para 6.

(4) (amend. – SG 99/12, in force from 01.01.2013) In the cases of Para 2 the lacking pensionable service shall be calculated towards the date of the application. The pension shall be provided as from the date of the application after the due pension contributions have been paid.

(5) Where insurance instalments under para 1 have been paid for periods of education, shorter than 5 years, the person shall have the right to deposit insurance instalments under para 2 for the remaining period to 5 years.

(6) (amend. – SG 99/12, in force from 01.01.2013) As pensionable service under Para 1 and 2 shall be recognized the periods for which pension contributions have been paid. The contributions shall be fully paid by the persons and shall be calculated on the basis of the minimum monthly pensionable earnings for the self-insured persons determined in the Act on the budget of the state public insurance in the amount specified for the Fund "Pensions" as regards to the persons who have been born earlier than January 1, 1960 at the date of their payment.

### **Occurrence, duration, and termination and interruption of the insurance (title amend. – SG 100/10, in force from 01.01.2011)**

Art. 10. (1) (amend. SG 1/02; suppl. – SG 99/09, in force from 01.01.2010; prev. text of Art. 10 – SG 100/10, in force from 01.01.2011) The insurance shall occur from the day the persons start to exercise labour activity of Art. 4 or Art. 4a, para 1 as well as for the day regarding which insurance instalments have been deposited or are due, and shall continue till its termination.

(2) (new – SG 100/10, in force from 01.01.2011) Insurance shall be interrupted during the periods which are not deemed as pensionable service, regardless of whether the activity under Art. 4 or Art. 4a, para 1 is not brought to an end.

**Insurance rights of the persons insured for general disease, old age and death, labour accident and occupational disease, as well as unemployment (title amend. – SG 109/08, in force from 01.01.2009)**

Art. 11. (1) (amend. – SG 109/08, in force from 01.01.2009) The persons insured for general disease, old age and death, labour accident and occupational disease, as well as unemployment shall be entitled to:

1. cash benefit for:

a) temporary loss of working capacity due to general disease, labour accident, senatorial - resort treatment and necessary medical examination or investigation, quarantine, removal from work due to recommendation by the health authorities, taking care of ill or member of the family under quarantine, necessary accompanying of an ill member of the family for medical examination, investigation or treatment as well as for taking care of a healthy child returned from a children's establishment due to quarantine of the establishment or the child;

b) labour adjustment at temporary reduced ability to work due to general disease, labour accident or professional disease;

c) (amend. – SG 98/16, in force from 01.01.2017) labour adjustment due to pregnancy or breast-feeding, or advanced stage of IVF treatment;

d) pregnancy and child birth;

e) bringing up a young child;

f) (new – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) adoption of a child up to 5 years of age;

2. money support for:

a) disability due to general disease when there is no ground for conceding a pension;

b) prophylactics and rehabilitation;

c) auxiliary - technical means connected with the injury;

3. (new – SG 1/02) unemployment benefit.

4. (prev. 3 – SG 1/02) pensions for:

a) pensionable service and age;

b) disability due to labour accident or professional disease;

c) disability due to general disease.

(2) (amend. SG 1/02; amend. – SG 100/11, in force from 01.01.2012) At death of the insured person the husband (the wife), the children and the parents shall have the right to onetime benefit and inheritance pension.

(3) (new – SG 1/02; amend., SG 76/03) The pecuniary support for disability due to general disease, when the insured person does not have the necessary time of service for granting disability pension due to a general disease, shall be in extent of the 60-days compensation for temporary loss of capacity to work, determined according to art. 41.

**Insurance rights of the insured for labour accident and professional disease (title amend. SG 1/02)**

Art. 12. (1) The persons insured for only labour accident or professional disease shall have the right to:

1. cash benefits for temporary loss of working capacity due to labour accident or professional disease, sanatorium - resort treatment, necessary medical examination, investigation and/ or treatment;

2. money support for prophylactics and rehabilitation;

3. pension for disability due to labour accident or professional disease;

4. money support for auxiliary - technical means connected with the injury.

(2) (amend. SG 1/02; amend. – SG 100/11, in force from 01.01.2012) At death of the insured

person happened in causal connection with the accident or with the professional disease, the husband (the wife), the children and the parents shall have right to onetime benefit and to an insurance pension.

**Insurance rights of the insured only for disability due to general disease, for old age and death (title amend. SG 1/02)**

Art. 13. (1) (amend. SG 1/02) Those insured for disability due to general disease, old age and death shall have right to:

1. pension for disability due to general disease;
2. pension for pensionable service and old age;
3. money support for auxiliary - technical means connected with the injury.

(2) (amend. SG 1/02; amend. – SG 100/11, in force from 01.01.2012, suppl. – SG 98/16, in force from 01.01.2017) At death of the insured person the husband (the wife), the children and the parents shall have right to onetime benefit and to one inheritance pension. Upon death of the self-insured person, the allowance shall be paid when the social security contributions due for the last month, for which the deadline under Art. 7, para. 4 has expired, are deposited.

**Insurance rights of the persons insured for general disease and motherhood**

Art. 13a. (new – SG 109/08, in force from 01.01.2009) The persons insured for general disease and motherhood shall be entitled to:

1. cash compensations for:

a) temporary inability to work as a result of general disease, sanatorium treatment or for urgent medical examinations or tests, quarantine, suspension from work prescribed by the medical authorities, for taking care of an ill or quarantined family member, for urgent need to accompany an ill family member to a medical check-up, test or treatment, and for taking care of a healthy child dismissed from a child-care facility because of quarantine imposed on that facility or on the child.

b) rehabilitation reassignment in case of temporary reduced ability to work due to general disease;

c) (amend. – SG 98/16, in force from 01.01.2017) rehabilitation reassignment due to pregnancy or breast-feeding, or advanced stage of IVF treatment;

d) pregnancy and birth;

e) raising a young child;

f) (new – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) adoption of a child up to 5 years of age;

2. financial aid for:

a) disability due to general disease, provided that there are no grounds for granting pension;

b) prevention and rehabilitation;

c) auxiliary - technical means related to the injury.

**Insurance rights of the persons insured for unemployment**

Art. 13b. (new – SG 109/08, in force from 01.01.2009) The persons insured in fund "Unemployment" shall be entitled to monetary compensation for unemployment.

**Financial aid for prevention and rehabilitation**

Art. 13c. (new – SG 105/06, in force from 01.01.2007; prev. text of Art. 13a – SG 109/08, in force from 01.01.2009) (1) (amend. – SG 109/08, in force from 01.01.2009) Persons, insured for general

disease, motherhood and/or labour accident and occupational disease, shall have the right to get financial supports for prevention and rehabilitation, provided that insurance instalments have been deposited or are due regarding the abovementioned risks for a period of 6 calendar months, preceding the month, in which the prophylactic and rehabilitation are carried out. The period of 6 calendar months shall also include the period:

1. of paid and non-paid leaves for raising a child;
2. (suppl. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) of paid and non-paid leaves for temporary inability to work and for leave for pregnancy and childbirth, as well as leave in the cases of adoption of a child up to 5 years of age;

3. of non-paid leave of up to 30 working days during a calendar year;
4. (amend. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) during which self-insured persons who are insured for general disease and motherhood, have received cash benefit for temporary loss of working capacity, pregnancy and birth and raising a child as well as in the cases of adoption of a child up to 5 years of age, and the periods of temporary inability to work, pregnancy and childbirth and raising a child as well upon adoption of a child up to 5 years of age, during which periods they have not been entitled to compensation.

(2) The requirement for deposited or due insurance instalments for a period of 6 calendar months under par. 1 shall not apply to persons with disabilities resulting from labour accident or an occupational disease.

(3) (amend. – SG 100/10, in force from 01.01.2011; amend. - SG 98/15, in force from 01.01.2016) Persons, getting a personal pension for disability shall also be entitled to get the supports under par. 1, provided that they are not of the age under Art. 68, para 1.

(4) The conditions for use and payment of financial support for prophylactic and rehabilitation to persons under par. 1 and 3, as well as the procedures for selection of legal persons – performers of this activity, shall be determined in an ordinance of the Supervisory Board of the National Social Security Institute.

#### **Amount of the one-time benefit upon death of an insured person**

Art. 13d. (new – SG 100/11, in force from 01.01.2012) The amount of the one-time benefit upon death of an insured person under Art. 11, para 2, Art. 12, para 2 and Art. 13, para 2 shall be fixed annually by the Act on the Budget of the State Public Insurance. The said benefit shall be allocated between the surviving spouse, the children and parents of the insured person.

#### **Expertise of the working ability**

Art. 14. (revoked, SG 70/04)

#### **Bodies of the expertise of the working ability**

Art. 15. (revoked, SG 70/04)

#### **Appealing the decision of the bodies of the expertise**

Art. 16. (revoked, SG 70/04)

#### **Entering into force of the decisions**

Art. 17. (revoked, SG 70/04)

## **Chapter two. FINANCIAL STRUCTURE**

### **Insurance funds**

Art. 18. (amend. SG 112/2004) (1) The resources of the state public insurance shall be detached in:

1. fund "Pensions";
  2. (new - SG 61/15, in force from 01.01.2016) fund "Pensions of the persons under Art. 69";
  3. (new – SG 1/02; prev. text of Item 02 - SG 61/15, in force from 01.01.2016) fund "Pensions, not connected with labour activity";
  4. (prev. 2 – SG 1/02; prev. text of Item 03 - SG 61/15, in force from 01.01.2016) fund "Labour accident and professional disease";
  5. (prev. 3 – SG 1/02; prev. text of Item 04 - SG 61/15, in force from 01.01.2016) fund "General disease and motherhood";
  6. (new – SG 1/02; prev. text of Item 05 - SG 61/15, in force from 01.01.2016) fund "Unemployment".
- (2) (revoked – SG 109/08, in force from 01.01.2009)

### **Budget of the funds**

Art. 19. (1) (amend. SG 1/02) The National Assembly shall pass Budget of State Public Insurance Act that includes consolidated budget of the state public insurance, the budgets of the funds of art. 18 and the budget of the Social Security Institute, and it shall be in effect for one year.

(2) The draft Budget of State Public Insurance Act shall be prepared by the National Social Security Institute and it shall be presented to the Council of Ministers for co-ordination together with the draft State Budget Act. The Ministry of Finance shall, after the approval of the macro - economic framework of the state budget, concede to the National Social Security Institute the necessary indices for compiling the draft budget of the state public insurance.

(3) The draft act of para 2 shall be compiled according to the full budget classification for the state budget.

(4) (amend., SG 112/03) In the Budget of State Public Insurance Act shall be provided a general reserve of the funds of art. 18, formed through deductions according to a normative, determined in the State Budget Act on the basis of an insurance - technical plan. In the reserve shall be input also the incomes from principals of the acts for deficiency.

(5) The draft Budget of State Public Insurance Act insurance shall be considered by the National Assembly simultaneously with the draft State Budget Act.

(6) In case the budget of the state public insurance is not passed by the National Assembly till the beginning of the budget year, the insurable incomes shall be collected and the insurance expenses shall be made according to the normative acts in effect, and for maintenance of the bodies of the National Social Security Institute shall be spent monthly up to one twelfth part of the expenses provided in the budget for the previous year.

### **Budget of the Social Security Institute**

Art. 20. (1) (amend. SG 112/2004) The budget of the National Social Security Institute shall be part of the consolidated budget of the state public insurance and shall be developed according to the paragraphs of the budget classification.

(2) (amen, SG 112/2004; amend. - SG 104/05, in force from 01.01.2006) The funds in the budget of the National Social Security Institute shall be formed by:

1. (suppl. - SG 98/15, in force from 01.01.2016, amend. – SG 98/16, in force from 01.01.2017) percentage of the incomes from the insurance payments for the funds "Pensions", "Pensions of the persons under Art. 69", "General disease and motherhood", "Labour accident and professional disease" and "Unemployment";

2. (amend. - SG 106/13, in force from 01.01.2014) interest on overdue insurance contributions paid up or collected by way of enforcement and on incorrect insurance expenses;

3. revenues from fines, property sanctions and delay interest;

4. percentage of the revenues in fund "Guaranteed receivables of the workers and employees" for the activities under Art. 13 of the Act on Secured Claims of Workers and Employees in the Event of Insolvency of their Employer;

5. (amend. – SG 107/14, in force from 01.01.2015) revenues from sales of insurance books and forms – approved patterns by the Governor of the National Social Security Institute;

6. incomes from certification of copies of documents issued by the National Social Security Institute;

7. incomes from fees for issuance of certificates;

8. revenues and incomes from ownership and non-fiscal revenues;

9. (revoked - SG 106/13, in force from 01.01.2014)

11. (amend. – SG 15/13, in force from 01.01.2014) subsidies (transfers) from the State Budget;

12. (new – SG 113/07, in force from 01.01.2008; revoked – SG 109/08, in force from 01.01.2009)

(3) (amend. - SG 104/05, in force from 01.01.2006; suppl. – SG 113/07, in force from 01.01.2008) The expenses and the transfers of the budget of the National Social Security Institute shall be determined for:

1. maintenance of the activity for the state public insurance and the Act on Secured Claims of Workers and Employees in the Event of Insolvency of their Employer;

2. capital expenses for acquisition of long term material assets and major repair, connected with the overall activity of the National Social Security Institute;

3. redemption of liabilities for loans;

4. (new – SG 113/07, in force from 01.01.2008; revoked – SG 109/08, in force from 01.01.2009)

(4) (amend. - SG 104/05, in force from 01.01.2006) The percentages of para 2, items 1 and 4 shall be determined with the Budget of State Public Insurance Act.

(5) The expenses of para 3 shall be approved by the supervision council of the National Social Security Institute upon proposal by the manager.

(6) (new - SG 104/05, in force from 01.01.2006; amend. – SG 109/08, in force from 01.01.2009; amend. - SG 106/13, in force from 01.01.2014) The revenues under Para 2, items 2 - 8 shall come as own revenues in the budget of the National Social Security Institute.

(7) (new - SG 104/05, in force from 01.01.2006; amend. – SG 109/08, in force from 01.01.2009; revoked – SG 38/12, in force from 01.07.2012)

### **Teachers' Pension Fund**

Art. 20a. (new - SG 61/15, in force from 01.01.2016) (1) The annual budget of the Teachers' Pension Fund shall be adopted in the act on the budget of the state social insurance for the respective year as an annex thereto and shall not form part of the consolidated budget of the state social insurance.

(2) In case the act on the budget of the state social insurance for the respective year is not adopted by the National Assembly before the beginning of the budget year, the income for the Teachers'

pension fund shall be collected and the costs shall be made in accordance with the effective regulations.

(3) The funds accrued in the Teachers' Pension Fund shall be spent for paying out the pensions and additions under Art. 69c.

(4) The funds of the Teachers' pension fund that are free may be deposited as set out in Art. 28.

(5) The primary administrator of the funds in the Teachers' pension fund shall be the governor of the National Insurance Institute, and secondary administrators shall be the heads of the territorial units of the National Insurance Institute.

(6) (new - SG 98/16, in force from 01.01.2017) The administrative, technical, accounting, legal and information services of the Teachers Pension Fund shall be carried out by the National Social Security Institute.

#### **Incomes of fund "Pensions"**

Art. 21. (amend. SG 112/2004) The funds of fund "Pensions" shall be collected from:

1. insurance payments of insurers, insured and self - insuring persons;
2. insurance payments and incomes provided in other laws, for insuring disability due to general disease, old age and death;
3. (amend. SG 1/02; amend., SG 67/03; in force from January 1, 2003; amend. - SG 98/15, in force from 01.01.2016) sums of the state budget for conducting the insurance of the persons of art. 4, para 1, item 2, art. 9, para 6 and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
4. (amend. SG 1/02, amend. SG 112/2004; amend. – SG 15/13, in force from 01.01.2014; amend. - SG 61/15, in force from 01.01.2016) transfers of the state budget, provided in the act on the budget of the state social insurance for the respective year;
5. (revoked – SG 112/2004; new – SG 109/08, in force from 01.01.2009; amend. – SG 15/13, in force from 01.01.2014; revoked - SG 61/15, in force from 01.01.2016)
6. (amend. SG 1/02; revoked, SG 112/03)
7. fees determined with a tariff of the Council of Ministers;
8. interests and dividends;
9. grants and wills;
10. (revoked – SG 1/02);
11. other sources.

#### **Expenses of fund "Pensions"**

Art. 22. (suppl. – SG 113/07, in force from 01.01.2008) The expenses of fund "Pensions" shall be spent and transferred for:

1. (amend. SG 1/02) payment of pensions for pensionable service and age, pensions for disability due to general disease and the additions to them;
2. (suppl. SG 1/02) updating, indexation and compensation of pensions of item 1;
3. other expenses connected with the pension insurance;
4. (new – SG 1/02; amend. – SG 113/07, in force from 01.01.2008; revoked – SG 109/08, in force from 01.01.2009)
5. (new – SG 105/06, in force from 01.01.2007) supports for prophylactic and rehabilitation.

#### **Incomes to the "Pensions of the persons under Art. 69" Fund (Title amend. - SG 61/15, in force from 01.1.2016)**

Art. 22a. (new – SG 1/02, amend. SG 112/2004; amend. - SG 61/15, in force from 01.01.2016) The funds for fund "Pensions of the persons under Art. 69" shall be collected from:

1. insurance payments of the persons under Art. 69;

2. transfers, provided in the act on budget of state social insurance for the current year;
3. 4. interests and dividends.

**Expenses for the "Pensions of the persons under Art. 69" Fund (Title amend. - SG 61/15, in force from 01.1.2016)**

Art. 22b. (new – SG 1/02; amend. - SG 61/15, in force from 01.01.2016) The resources of fund "Pensions of the persons under Art. 69" shall be spent for:

1. payment of pensions for pensionable service and age, pensions for disability due to general disease and the additions to them of the persons under Art. 69;
2. updating the pensions under Item 1;
3. (new - SG 98/15, in force from 01.01.2016) support for prophylactics and rehabilitation.

**Income to the "Pensions unrelated to labour activities" Fund (new - SG 61/15, in force from 01.1.2016)**

Art. 22c. (new – SG 61/15, in force from 01.01.2016) The resources of the "Pensions not related to labour activities" shall be collected from:

1. transfers from the state budget for:
  - a) payment of pensions, for which no insurance instalments are due, and for the indexations, compensations and additions thereto;
  - b) additions to the pensions of the war-time veterans;
  - c) additions under Art. 84, determined on the basis of the pensions under Letter "a";
  - d) additions to the pensions, determined in the Political and Civil Rehabilitation of Repressed Persons Act;
2. fees, determined in a tariff of the Council of Ministers;
3. interests and dividends;
4. donations and testaments.

**Expenses from the "Pensions unrelated to labour activities" Fund**

Art. 22d. (new – SG 61/15, in force from 01.01.2016) (1) The resources of fund "Pensions unrelated to labour activities" shall be spent for payment of:

1. pensions for military disability;
2. pensions for civil disability;
3. social pensions for old age;
4. social pensions for disability;
5. pensions for special merits;
6. personal pensions;
7. additions to the pensions of the veterans from the wars;
8. additions to the pensions under the Political and Civil Rehabilitation of Repressed Persons Act;
9. additions under art. 84, determined by pensions for which no insurance payments are due;
10. indexation and compensations to the pensions and additions under item 1 – 9;
11. supports for prophylactic and rehabilitation;

(2) The resources for fund "Pensions unrelated to labour activities" shall be spent for payment of pensions for which no insurance payments are due under the repealed Pensions Act and Public Insurance Act, as well as for the indexations, the compensations and the additions to them.

**Incomes of fund "Labour accident and professional disease"**

Art. 23. The incomes of fund "Labour accident and professional disease" shall be collected from:



1. insurance payments;
2. (amend., SG 67/03; in force from January 1, 2003) sums from the state budget for insuring the persons under art. 4, para 1, items 2 and 4, and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
3. incomes provided in other laws for insuring for labour accident and professional disease;
4. (revoked - SG 112/2004)
5. (suppl. SG 1/02; revoked, SG 112/03)
6. fees determined with a tariff of the Council of Ministers;
7. interests and dividends;
8. grants and wills;
9. other sources.

### **Expenses of fund "Labour accident and professional disease"**

Art. 24. The resources of fund "Labour accident and professional disease" shall be spent for:

1. payment of cash compensations, pensions and supports;
2. updating, indexation and compensation of cash benefits, pensions and supports;
3. measures for prevention of labour accidents and professional diseases;
4. (new – SG 105/06, in force from 01.01.2007) diagnostics of occupational diseases;
5. (prev. item 4 – SG 105/06, in force from 01.01.2007) auxiliary - technical means connected with the damage;
6. (prev. item 5 – SG 105/06, in force from 01.01.2007) other expenses connected with the insuring for labour accident and professional disease.

### **Incomes of fund "General disease and motherhood"**

Art. 25. The incomes of fund "General disease and motherhood" shall be collected from:

1. insurance payments;
2. (amend., SG 67/03; in force from January 1, 2003) sums from the state budget for insuring of persons of art. 4, para 1, items 2 and 4 and sums of the budget of the judicial authority for the persons under art. 4, para 1, item 3;
3. incomes provided by other laws for insuring general disease and motherhood;
4. (new – SG 1/02, revoked - SG 112/2004)
5. (prev. 4 – SG 1/02, revoked - SG 112/2004)
6. (prev. 5, amend – SG 1/02; revoked, SG 112/03)
7. (prev. 6 – SG 1/02) fees, determined with a tariff of the Council of Ministers;
8. (prev. 7 – SG 1/02) interests and dividends;
9. (prev. 8 – SG 1/02) grants and wills;
10. (prev. 9 – SG 1/02) other sources.

### **Expenses of fund "General disease and motherhood"**

Art. 26. The resources of fund "General disease and motherhood" shall be spent for:

1. payment of cash benefits and supports;
2. updating, indexation and compensation of cash benefits and supports;
3. financing the activities for reducing the general diseases;
4. ensuring with auxiliary - technical means;
5. (new – SG 105/06, in force from 01.01.2007) funds for the program "Supporting motherhood";

6. (prev. item 5 – SG 105/06, in force from 01.01.2007) other expenses connected with the insuring for general disease and motherhood.

#### **Incomes for fund "Unemployment" (new – SG 1/02)**

Art. 26a. (new – SG 1/02) The incomes for fund "Unemployment" shall be collected from:

1. insurance payments;
2. (revoked, SG 112/03)
3. (amend. – SG 35/09, in force from 12.05.2009; amend. – SG 16/10, in force from 26.02.2010) purposed sums from the state budget for compensations under art. 230 and art. 231, para 1 of the Act on Defence and Armed Forces of the Republic of Bulgaria;
4. interests and dividends;
5. grants and wills;
6. other sources.

#### **Expenses for fund "Unemployment" (new – SG 1/02)**

Art. 26b. (new – SG 1/02; amend. – SG 113/0, in force from 01.01.2008; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 16/10, in force from 26.02.2010) The expenses for fund "Unemployment" shall be spent and transferred for payment of unemployment benefit, compensation under art. 230 and art. 231, para 1 of the Act on Defence and Armed Forces of the Republic of Bulgaria.

#### **Short - term free of interest loans for the funds**

Art. 27. (amend., SG 119/02; amend. – SG 15/13, in force from 01.01.2014) At temporary deficit of resources in the funds for covering urgent insurance payments can be used short - term free of interest loans from the state budget, by a permit of the Minister of Finance at a proposal of the Governor of the National Social Security Institute, as well as loans from funds of social designation up to the size of their reserves, by a permit of the Minister of Finance and the Minister of Labour and Social Policy at a proposal of the Supervisory Board of the National Social Security Institute.

#### **Investment of free resources**

Art. 28. (suppl. SG 64/00, amend. SG 1/02) The temporary free resources of the funds of state public insurance can be invested in deposit accounts in the Bulgarian National Bank or for acquisition on the primary market or through the Ministry of Finance of state securities, issued by the Bulgarian government.

#### **Bank servicing**

Art. 29. (amend. SG 1/02) (1) The banks, servicing the accounts of the National Social Security Institute shall be determined by the Ministry of Finance and the Bulgarian National Bank. The supervisory council of the National Social Security Institute shall select the banks who have the right to service the accounts of the National Social Security Institute among these determined by the Bulgarian National Bank and the Ministry of Finance.

(2) The order and the way of servicing the accounts of the National Social Security Institute shall be determined by the Ministry of Finance and the Bulgarian National Bank.

### **Fulfillment of the budget**

Art. 30. (1) The fulfillment of the budget of the state public insurance shall be implemented by the National Social Security Institute.

(2) Primary administrator of the budget of the state public insurance shall be the manager of the National Social Security Institute.

(3) Secondary administrators of the budget of the state public insurance at the territorial divisions of the National Social Security Institute shall be their chiefs.

### **Annual account**

Art. 31. (1) The annual account of the fulfillment of the budget of the state public insurance shall be prepared by the National Social Security Institute shall be presented by its manager to the National Assembly for approval together with the account of the state budget.

(2) The decision of the National Assembly for approval of the account for the fulfillment of the budget of the state public insurance shall be promulgated in the State Gazette.

## **Chapter three. MANAGEMENT**

### **Functions of the Minister of Labour and Social Policy (title amend. – SG 100/10, in force from 01.01.2011)**

Art. 32. (amend. – SG 100/10, in force from 01.01.2011) The Minister of Labour and Social Policy shall develop, co-ordinate and conduct the state policy for state public insurance.

### **Social Security Institute**

Art. 33. (1) The state public insurance shall be managed by the National Social Security Institute. It shall report about its activity before the National Assembly.

(2) (suppl. – SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 15.08.2015, amend. – SG 98/16, in force from 01.01.2017) The National Social Security Institute shall be a legal entity with headquarters in Sofia. The structure and organization of the National Social Security Institute shall be determined by the regulations under Art. 36, para. 1, item 5.

(3) (new – SG 38/12, in force from 01.07.2012) The operation of the National Social Security Institute shall be carried out by administration in which persons work in public service and employment relationships. Art. 107a of the Labour Code shall apply to persons working under employment contracts.

(4) (new – SG 38/12, in force from 01.07.2012) The Administration Act shall apply to the administration of the National Social Security Institute, inasmuch as otherwise is not provided for in this Code.

(5) (new – SG 120/02, revoked – SG 105/05, in force from 01.01.2006; prev. text of para 3 – SG 38/12, in force from 01.07.2012) The National Social Security Institute shall:

1. fulfil the budget of the state public insurance;
2. (amend. - SG 105/05, in force from 01.01.2006) establish and collect the takings of the state public insurance from incorrectly spent expenditures;
3. (revoked – SG 105/05, in force from 01.01.2006);
4. (suppl. - SG 105/05, in force from 01.01.2006) implement control over the observing of the insurance legislation in relation to the activities assigned to it;
5. organise the activity for establishing administrative breaches and administrative penalties;

6. (suppl. SG 1/02; amend. – SG 106/13, in force from 01.01.2014) make the payment of pensions, benefits and allowances under this Code, as well as the secured claims under the Act on Guaranteed Claims of Workers and Employees in the Event of Insolvency of their Employer;

7. (amend. – SG 106/13, in force from 01.01.2014) maintain information system about the insured persons, insurers and the self insured persons on the basis of the data provided by the National Revenue Agency, as well as about the occupational accidents and diseases;

8. implement activity for preparation and application of international agreements in the field of state public insurance;

9. (new – SG 1/02) issue information bulletin.

10. (new – SG 120/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 106/13, in force from 01.01.2014) maintain information system about the pensions, benefits and allowances being paid up under this Code, as well as the secured claims under the Act on Secured Claims of Workers and Employees in the Event of Insolvency of their Employer.

11. (new, SG 67/03; suppl. - SG 104/05, in force from 27.12.2005 suppl. - SG 105/05, in force from 01.01.2006; suppl. – SG 107/14, in force from 01.01.2015) conclude contracts for submitting information, informational products for procession of information and for activities related to the social insurance under terms and procedure, defined by the manager of the National Social Security Institute.

12. (new – SG 106/13, in force from 01.01.2014) create and keep a register of doctor`s notes for sick leaves and the decisions related to appeal thereof.

13. (new - SG 98/16, in force from 01.01.2017) inform the persons not later than 6 months prior to them reaching the age for entitlement to a pension for length of service and age under Art. 68, para. 1, to whom has not been granted pension for length of service and age, on the conditions under which they may retire during the next calendar year.

14. (new - SG 102/18, in force from 01.01.2019) issue a personal identification code for electronic identification and access to the electronic administrative services provided by the National Social Security Institute;

15. (new - SG 102/18, in force from 01.01.2019) keep a register of the persons who have transferred funds from a Bulgarian pension scheme to a pension scheme of the European Union, of the European Central Bank or of the European Investment Bank.

(6) (revoked – SG 105/05, in force from 01.01.2006; new – SG 41/07; amend. and suppl. – SG 99/09, in force from 01.01.2010; prev. text of para 4 – SG 38/12, in force from 01.07.2012) The information, required for implementation of functions and authorities of the National Social Security Institute, shall be provided free of charge by the respective state and municipal bodies, including all data from the Unified System of Citizens' Registration and Administrative Services to Population and from the National Statistics Institute and from the medical establishments.

(7) (new – SG 109/13, in force from 01.01.2014) The National Social Security Institute shall provide the Executive Director of the National Revenue Agency with information on income paid/charged to persons resident in another Member State of the European Union under Art. 143h, para 1, item 4 of the Tax-Insurance Procedure Code by April 30 of the year following the year of payment\*charge of the income pursuant to Art. 143h, para 7 of the Tax-Insurance Procedure Code.

### **Management bodies**

Art. 34. Management bodies of the National Social Security Institute shall be:

1. the supervisory council;
2. the manager and the deputy manager.

### **Supervisory council**

Art. 35. (1) (Suppl., SG 112/02; amend., SG 67/03, amend. – SG 98/16, in force from 01.01.2017) The supervisory council shall be comprised by one representative of each representative organisations of the workers and the employees and of the employers recognised according to the Labour Code, and equal to them number of representatives determined by the Council of Ministers, one of which shall obligatorily be the Deputy Executive Director of the National Revenue Agency.

(2) The representatives of the organisations of the workers and the employees and of the employers of para 1 shall be determined by their management bodies at national level.

(3) (new – SG 1/02) When the representative organisations of the workers and the employees or of the employers are different in number, the quota or the organisations with smaller number shall be supplemented to the quota of the organisations with bigger number according to an agreement between the interested organisations.

(4) (new – SG 1/02) At lack of agreement of para 3 supplement of the quota of the nationally representative organisations with smaller number is not implemented and the members of the Supervisory council shall be determined as quantity only by the order of para 1.

(5) (prev. 3 – SG 1/02) The supervisory council shall have mandate for a term of four years.

(6) (prev. 4 – SG 1/02) The members of the supervisory council as well as the changes in it shall be promulgated by its chairman in State Gazette.

(7) (prev. 5 – SG 1/02) The members of the supervisory council shall elect among themselves a chairman according to the rotation principle.

(8) (prev. 6 – SG 1/02) The supervisory council shall be summoned at sessions by the chairman or upon request by one third of its members.

(9) (prev. 7 – SG 1/02) The sessions of the supervisory council shall be lawful if at them have been present at least half of its members. Its decisions shall be taken if for them vote more than half of the total number of the members of the supervisory council.

(10) (prev. 8– SG 1/02) The manager of the National Social Security Institute shall participate in the sessions of the supervisory council with consultative vote.

### **Functions of the supervisory council**

Art. 36. (1) (prev. Art. 36 – SG 41/07) The supervisory council shall:

1. approve the basic directions of the activity of the National Social Security Institute
2. (amend. - SG 61/15, in force from 01.01.2016) approve the drafts of the annual budget of the state public insurance, the annual budget of the Teachers' pension fund, and their accounts;
3. implement control over the activity of the National Social Security Institute, the council of the manager; the manager and the deputy manager;
4. approve the drafts of the normative acts for the state public insurance before submitting them for approval to the corresponding state bodies;
5. (suppl. – SG 106/13, in force from 01.01.2014) approve regulation for the organisation of the activity of the National Social Security Institute and regulation for the activity of the supervisory council. Rge Rules on Organization and Operation of the National Social Security Institute shall be promulgated in the State Gazette by the Chairperson of the supervisory council;
6. (suppl. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) give consent for deferring of takings for obligatory insurance instalments to the funds of the state social insurance in the cases of art. 184, 185 and 188 from the Tax-insurance Procedure Code;
7. (amend., SG 67/03, suppl. - SG 105/05, in force from 01.01.2006, amend. and suppl. – SG, 99/17, in force from 01.01.2018) take decision for writing off uncollectible takings from the takings, collected by the National Social Security Institute, after finishing the procedures for bankruptcy of the insurers;
8. take decisions for acquisition and disposal with the possessions of the National Social

Security Institute above the extent determined with the regulation for the organisation and the activity of the National Social Security Institute;

9. take decisions for use of resources from the reserve of the budget of the state public insurance;

10. take decisions about acquisition of immovable properties by the National Social Security Institute against liabilities of the funds of the state public insurance;

11. (revoked – SG 99/09, in force from 01.01.2010)

12. (new – SG 107/14, in force from 01.01.2015) determine by a decision the performers of the activities related to prevention and rehabilitation for the calendar year; the decision may not be subject to appeal.

(2) (new – SG 41/07, suppl. – SG 42/09; amend. – SG 107/14, in force from 01.01.2015)

Members of the Supervisory Board shall not receive remuneration for their participation in sessions of the Supervisory Board.

### **Manager and deputy manager**

Art. 37. (1) (suppl. – SG 98/16, in force from 01.01.2017) The manager and the deputy manager of the National Social Security Institute shall be elected by the National Assembly for a term of four years. Within three months before the expiry of the mandate of the manager and the deputy manager, the National Assembly shall elect the new manager and deputy manager. In the event where, by the expiry of the mandate of the manager and the deputy manager, new election has not been made, they shall continue to exercise their powers until election is done.

(2) The manager of the National Social Security Institute shall act on behalf of the institute, organise and manage its activity and represent it before all individuals and corporate bodies in the country and abroad.

(3) (amend. – SG 100/11, in force from 01.01.2012) If the manager is absent his functions shall be implemented by the deputy manager. The deputy manager shall be able to implement functions assigned to him by the manager.

(4) (suppl. – SG 42/09; amend. – SG 97/10, in force from 10.12.2010, amend. – SG 7/18) The manager and the deputy manager shall be possible to be discharged also before the elapse of the term for which they have been elected if they have been convicted for a crime of general character with a verdict entered into force, in case of enforcement of an act, establishing a conflict of interests as per the Act On Counteracting Corruption And On Seizure Of Illegally Acquired Property, if they systematically breach their obligations, if they are impaired to fulfil them for a term more than six months or if they have submitted application for retirement to the National Assembly.

(5) The manager shall:

1. implement the operational management of the National Social Security Institute;

2. (suppl. - SG 105/05, in force from 01.01.2006) approve instructions, forms and other documents connected with the conduct of the insurance in relation to the activities, assigned to the National Social Security Institute, obligatory for all individuals and corporate bodies;

3. submit for approval to the supervisory council:

a) (amend. - SG 61/15, in force from 01.01.2016) the draft budget of the state public insurance and the Teachers' pension fund;

b) (amend. - SG 61/15, in force from 01.01.2016) draft of the account of the fulfilment of the budget of the state public insurance and of the account for fulfilment of the Teachers' pension fund;

c) drafts of normative acts for the state public insurance;

d) draft of regulation for the organisation and the activity of the National Social Security Institute;

e) drafts of decisions for use of resources from the reserve of the budget of the state public

insurance;

4. open and close divisions of the National Social Security Institute and approve their structure and budgets;

5. conclude disposition transactions with the assets of the National Social Security Institute up to the extent determined with the regulation for the organisation and the activity of the National Social Security Institute;

6. (suppl. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) give consent for deferring of takings for obligatory insurance installments to the funds of the state social insurance in the cases of art. 184, 185 and 188 from the Tax-insurance Procedure Code;

7. approve the distribution of capital investment for managing the possessions of the National Social Security Institute.

8. (new - SG 64/00) approve and declare the insurable income under art. 70.

9. (new - SG 104/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) determine the prices of the services and the activities under Art. 20, Para 2, items 5 - 8.

10. (new – SG 38/12, in force from 01.07.2012) perform the functions of:

a) body of assignment of public officers;

b) employer to employees in employment legal relationship.

(6) (new – SG 41/07) The manager of the National Social Insurance Institute shall get a basic monthly remuneration in the amount of the basic monthly remuneration of a Chairperson of a permanent parliamentary commission. The vice-manager of the National Social Insurance Institute shall get a basic monthly remuneration in the amount of the basic monthly remuneration of a popular representative.

### **Council to the manager**

Art. 38. (1) (amend. and suppl. – SG 100/11, in force from 01.01.2012; amend. – SG 106/13, in force from 01.01.2014) In his or her activity the manager shall be assisted by a council to the manager of the National Social Security Institute. The members of the said council shall be determined in the Rules of Organization and Operation of the National Social Security Institute. The manager shall summon and convene and chair the meetings of the Council of the manager.

(2) The sessions of the council of the manager shall be lawful if two third of the members are present. The decisions shall be taken with simple majority.

(3) (suppl. – SG 38/12, in force from 01.07.2012) The council of the manager shall propose to the manager drafts of decisions connected with his powers of art. 37, para 5, items 1 - 9.

### **Requirements to the members of the supervisory council, the manager and the deputy manager**

Art. 39. (1) (amend. – SG 42/09, prev. text of Art. 39 - SG 103/17, in force from 01.01.2018) The members of the supervisory council, the manager and the deputy manager of the National Social Security Institute shall not be possible to be:

1. persons deprived from the right to take leading, accounting or materially responsible position;

2. persons who are participating in management or control bodies of other insurance funds;

3. persons convicted for committed crime;

4. persons who have been members of managerial bodies of corporate bodies terminated due to insolvency if there are left unsatisfied creditors;

5. (suppl. – SG 42/09) persons who are spouses or are in cohabitation in fact or are relatives in direct or lateral line or due to marriage up to fourth degree with members of the supervisory council, the manager and the deputy manager.

(2) (new - SG 103/17, in force from 01.01.2018) The circumstance under par. 1, item 3 shall be established ex officio.

## **Chapter four. COMPENSATIONS**

### **Section I.**

#### **Benefits for temporary loss of working capacity and vocational rehabilitation**

##### **Entitlement to compensations**

Art. 40. (suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 100/10, in force from 01.01.2011) (1) The insured persons for general disease and motherhood shall have right to cash benefit instead of remuneration for the time of leave due to temporary inability to work and in case of vocational rehabilitation, if they have at least 6 months of insurance coverage of this risk. The requirement for the 6 months of insurance coverage shall not apply to persons below 18 years of age.

(2) (amend., SG 112/03 ; amend. – SG 109/08, in force from 01.01.2009) The persons insured for labour accident and occupational disease shall be entitled to cash benefit for labour accident or occupational disease, as well as to compensation upon of vocational rehabilitation in those cases, regardless of the coverage period.

(3) (suppl. SG 1/02, amend. SG 38/05; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 100/10, in force from 01.01.2011) The cash benefit for temporary loss of working capacity, vocational rehabilitation, pregnancy and childbirth and bringing up a child and the aid from the state public insurance shall be accounted and paid by the National Social Security Institute to the insured persons to a personal bank account stated by them. Provided that the person does not have right to compensation or support, the official, to whom management of payment of compensations and financial aid is assigned or another official authorized by the Chief of the respective territorial unit of the National Social Security Institute, shall issue an order for rejection. The order shall be subject to cancellation, provided that within the prescription period under Art. 115, par. 4 the person or the insurer provide new or further evidences, substantiating the right of compensation or a support.

(4) (new – SG 100/10, in force from 01.01.2011; amend. – SG 107/14, in force from 01.01.2015) An official mentioned in para 3 shall issue an order for suspension of the procedure on granting or payment of cash benefits for temporary inability to work, occupational accident or occupational disease, vocational rehabilitation, pregnancy and childbirth and bringing up a child, in those cases where:

1. acts of the authorities of medical expertise are appealed against;
2. evidence is presented that could lead to issuance of order for refusal or termination of compensation payment;
3. no data were provided in the register under Art. 33, para 5, item 12 regarding issued sick leaves and decisions on appeal thereof.

(5) (amend., SG 64/00; amend., SG 112/03; amend. – SG 105/06, in force from 01.01.2007 prev. text of para 4 – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013) The insurer shall pay to the insured person for the first three working days of the temporary inability to work 70 percent of the average daily gross allowance for the month, in which the temporary inability to work has occurred, but not less than 70 percent of the average daily agreed remuneration.

(6) (new – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; prev. text of para 5 – SG 100/10, in force from 01.01.2011; revoked – SG 106/13, in force



from 01.01.2014)

(7) (new – SG 99/12, in force from 01.01.2013) The cash benefits for temporary inability to work shall be restored by the persons for the period of receiving a disability pension for the same disease, except in the cases where the medical certificate is based upon objective data for exacerbation of the medical conditions, as well as on interventions related to the treatment of a chronic disease.

**Terms for providing the documents and data required for payment of cash benefit for temporary loss of working capacity or vocational rehabilitation (Title suppl. - SG 98/15, in force from 01.01.2016)**

Art. 40a. (1) (new – SG 99/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013; suppl. - SG 98/15, in force from 01.01.2016) The documents and data required for payment of cash benefit for temporary loss of working capacity or vocational rehabilitation shall be presented to the respective territorial directorate of the National Social Security Institute within the following terms:

1. (amend. - SG 98/15, in force from 01.01.2016) by the insurers, their branches and units and the insurance funds – by the 10th of the month following the month of submission by the insured person of the documents for payment of the compensation to the insurer.

2. (amend. - SG 98/15, in force from 01.01.2016) by the self-insured persons – by the 10th of the month following the month of the issue of the document for payment of the compensation.

**Remuneration on the basis of which the compensation is calculated**

Art. 41. (1) (suppl., SG 64/00; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012) The daily cash benefit for temporary loss of working capacity due to general disease shall be calculated in extent of 80 percent and for temporary inability to work due to labour accident or professional disease - in extent of 90 percent of the average daily gross remuneration or the average daily insurable income for which have been paid or due insurance payments, and for the self-insured persons – deposited insurance instalments for general disease and motherhood for the period of 18 calendar months preceding the occurrence of the inability to work. The daily cash benefit for temporary loss of working capacity due to a general disease cannot exceed the average daily net remuneration for the period from which the compensation is calculated

(2) (amend. SG 1/02) For the days included in the period of para 1 shall be taken into account the average daily minimum working salary for the country for the corresponding period if the person:

1. (amend. – SG 109/08, in force from 01.01.2009) has not been insured for fund general disease and motherhood;

2. (revoked – SG 109/08, in force from 01.01.2009)

3. has used unpaid leave which is recognised as working practice;

4. has used leave for bringing up a small child.

5. (new – SG 105/06, in force from 01.01.2007) has been insured in compliance with the legislation of another country under the conditions of an international treaty, in which the Republic of Bulgaria is a party.

(3) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) For the days included in the period of para 1 during which the person has received cash benefit from the public insurance for temporary inability to work, pregnancy and child birth or adoption of a child up to 5 years of age, the extent of the income, from which the pecuniary remuneration has been determined shall be taken into account.

(4) (new, SG 67/03) The sum on the basis of which the compensation shall be calculated may not be larger than the maximal monthly size of the insured income, determined by the Budget of State

Public Insurance Act for the period for which the benefit is determined.

(5) (prev. para 4 - SG 67/03) The way of calculating the compensation shall be determined with an act of the Council of Ministers.

#### **Duration of compensation payment**

Art. 42. (1) The cash benefit for temporary loss of working capacity due to general disease, labour accident and professional disease shall be paid from the first day of occurrence till the restoration of the ability to work or the establishing of disability.

(2) (amend., SG 64/00, SG 1/02; suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011; amend. and suppl. – SG 99/12, in force from 01.01.2013, repealed, - SG, 99/17, in force from 01.01.2018)

(3) (amend. SG 1/02; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 16/10, in force from 26.02.2010; amend. – SG 100/10, in force from 01.01.2011) When the temporary inability has occurred before the termination of a temporary employment contract, military service contracts and contracts for management and control of commercial companies, the cash benefit shall be paid for not more than 30 calendar days after the termination of the employment legal relations or the contracts. If the temporary inability to work is due to labour accident or professional disease, the cash benefit shall be paid till the restoration of the ability to work or till establishing of disability.

(4) (new - SG 54/15, in force from 17.07.2015) The monetary compensations for temporary inability to work resulting from a labour accident or professional disease of the persons under Art. 114a, Para 1 of the Labour Code shall be paid for the duration of the inability to work, but no more than 90 calendar days.

#### **Benefits for quarantine or suspension from work**

Art. 43. Cash benefits for temporary loss of ability to work due to quarantine or suspension from work upon prescription by health authorities shall be paid respectively for:

1. the time during which the insured person is under quarantine;
2. the time of suspension from work if the insured cannot be vocationally rehabilitated at another appropriate position during this time but for not more than 90 calendar days during one calendar year.

#### **Sanatorium and resort treatment compensations**

Art. 44. To the persons unable to work, sent by the health authorities to sanatorium and resort treatment shall be paid compensations for the whole stay, including up to three calendar days for travel, within the extent determined respectively for general disease or for labour accident and professional disease.

#### **Compensations for taking care of a sick family member**

Art. 45. (1) Compensations under the conditions and within the extent of the cash benefit for temporary loss of ability to work due to a general disease shall be paid also for:

1. taking care of or necessary accompanying for medical examination in the country or abroad for an ill member of the family over 18 years of age - to each insured up to 10 calendar days during one calendar year.
2. taking care of or necessary accompanying for medical examination, investigation or treatment in the country or abroad for an ill child up to 18 years of age - up to 60 calendar days during

one calendar year as a total for all insured members of the family; within this time shall not be included the time for taking care of a child under items 3 - 5;

3. taking care for a child under quarantine up to 18 years of age, ill with infectious disease - till the expiry of the term of the quarantine;

4. taking care of an ill child up to 3 years of age, accommodated in an establishment for hospital aid together with the insured person - for the time during which the insured has been at the establishment;

5. taking care of a healthy child returned from a children's establishment due to quarantine - till the duration of the quarantine.

(2) For one and the same insurance case for one and the same time cash benefit can be paid to only one member of the family.

(3) For taking care of a chronically ill member of the family cash benefit shall be paid at aggravation of the disease.

(4) (amend. – SG 19/10) As members of the family of the insured person shall be considered his ascendants and descendants of direct lineage and his spouse.

(5) (New, SG 52/04, In force from 1st of August 2004) The cash benefit under para 1, item 2, 3, 4 and 5 shall also be paid for raising a child accommodated with friends, relatives or accepting family by the order of art. 26 of the Child Protection Act.

### **Cases in which no compensation is paid**

Art. 46. (1) No cash benefit shall be paid to insured persons who:

1. premeditatedly impair their health with objective to get leave or compensation;

2. breach the regime determined by the health authorities - only for the days of breach;

3. have become incapable to work due to use of alcohol, strong intoxicating drug without treatment objective or due to events committed under the influence of such means;

4. have become unable to work due to hooligan and other antisocial conduct thereof, established by the due order;

5. have become unable to work due to not observing the rules for safe work, established by the due order.

(2) In the cases of para 1, items 3 and 4 the term for which compensation is not paid shall not be longer than 15 calendar days and in the case of item 5 - not longer than 3 calendar days.

(3) (new – SG 99/09, in force from 01.01.2010) Cash benefit for temporary loss of ability to work and pregnancy and childbirth shall not be paid to persons who are engaged in labour activity that is a ground for insurance for general disease and motherhood during the periods for which are issued acts by the health-care authorities.

### **Cash compensation upon vocational rehabilitation**

Art. 47. (1) In case of vocational rehabilitation due to temporary decrease of capacity to work due to a general disease, labour accident or professional disease to the insured person shall be paid pecuniary compensation if at the new work the remuneration is decreased.

(2) (amend. and suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012) The daily pecuniary compensation shall be in extent of the difference between the received average daily remuneration during the 18 calendar months preceding the month of the labour adjustment, but not more than the average daily amount of the maximum monthly insurable income and the average daily gross remuneration received after the vocational rehabilitation. When the insured person has worked for less than 18 months till the day of vocational rehabilitation the compensation shall be determined as a difference between the

average daily remuneration determined under art. 41 and the received average daily gross remuneration after the vocational rehabilitation.

(3) (amend. – SG 105/06, in force from 01.01.2007) The pecuniary compensation of para 1 and 2 shall be paid for the time of vocational rehabilitation but for not more than 6 months.

## **Section II. Maternity benefits**

### **Benefit for vocational rehabilitation due to pregnancy and breast-feed or advanced-stage of in-vitro fertilization procedure (Title suppl. – SG 103/09, in force from 29.12.2009)**

Art. 48. (1) (suppl. – SG 103/09, in force from 29.12.2009) In case of vocational rehabilitation to another work due to pregnancy or breast-feed of a child or to advanced-stage of in-vitro fertilization procedure, the insured woman shall be paid a cash benefit if at the new work her remuneration is decreased.

(2) (amend. and suppl. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012; amend. - SG 98/15, in force from 01.01.2016) The daily cash benefit shall be in extent of the difference between the received average daily gross remuneration during the 24 calendar months preceding the month of the vocational rehabilitation but not more than the average daily amount of the maximum monthly insurable income and the average daily gross remuneration received after the labour adjustment. When the insured person has worked for less than 24 months till the day of vocational rehabilitation the benefit shall be calculated as a difference between the average daily remuneration determined under art. 41 and the received average daily remuneration after the vocational rehabilitation.

(3) (amend. and suppl. – SG 105/06, in force from 01.01.2007) In case at the new position the vocationally rehabilitated woman receives average daily gross remuneration less than the minimum daily salary established for the country or the average daily remuneration determined under art. 41 is less than the minimum salary established for the country, the daily benefit shall be in extent of the difference between the received average daily gross remuneration before the vocational rehabilitation and the minimum daily salary established for the country.

### **Right to compensation for pregnancy and childbirth**

Art. 48a. (new, SG 112/03, amend. SG 69/04; amend. – SG 109/08, in force from 01.01.2009) The persons insured for general disease and motherhood shall be entitled to pecuniary compensation for pregnancy and childbirth instead of salary if they have 12 months of assurance coverage of this risk.

### **Terms for providing documents and data required for payment of compensation for pregnancy and childbirth (Title suppl. - SG 98/15, in force from 01.01.2016)**

Art. 48b. (new – SG 99/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013) The insurers, their branches and units and the insurance funds shall submit to the respective territorial unit of the National Insurance Fund the documents and data for payment of a pecuniary compensation for pregnancy and birth within the time limit under Art. 40a, Item 1, and the self-insured persons – by the 10th of the month following the month from which the payment of the compensation is requested.

## **Compensation for pregnancy and childbirth**

Art. 49. (1) (suppl. - SG 104/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 98/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012; amend. – SG 106/13, in force from 01.01.2014; amend. – SG 107/14, in force from 01.01.2015) The daily pecuniary compensation in case of pregnancy and child-birth shall be calculated as 90 percent of the amount of the average daily gross remuneration or the average daily insurable income, on which insurance instalments are deposited or due, and as regards to self-insured persons – on the ground of the deposited insurance instalments for general disease and motherhood for the period of 24 calendar months, preceding the month during which the temporary inability to work has occurred as a result of pregnancy and childbirth. The daily pecuniary compensation cannot be more than the average daily net remuneration for the period for which the compensation is calculated and not less than the minimum daily salary established for the country, and shall be calculated pursuant to Art. 41, para. 2 through 5.

(2) (new - SG 68/06) Upon entitlement to cash benefit in the event of pregnancy and childbirth during the period of payment of pecuniary compensation for pregnancy and childbirth or for bringing up a child, the benefit shall be in the amount, specified under para 1 regarding the previous child, in case this is more favourable to the person.

(3) (amend. - SG 104/05, in force from 01.01.2006; prev. text of para 2 - SG 68/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007) When the person is insured on more than one grounds, the total amount of the daily pecuniary compensation shall not be possible to be less than the minimum daily salary established for the country.

#### **Terms for payment of the pecuniary compensation for pregnancy and childbirth**

Art. 50. (1) (suppl. SG 1/02; amend - SG 68/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) The mother insured for general disease and motherhood shall have right to cash benefit for pregnancy and childbirth for a term of 410 days, 45 of which before the childbirth.

(2) When the childbirth takes place before the elapse of the 45 days after the beginning of the use of the benefit the remainder up to 45 days shall be used after the childbirth.

(3) (suppl. – SG 98/16, in force from 01.06.2017) When the child is stillborn, dies, is accommodated pursuant to Art. 26, Para. 1 of the Child Protection Act, or is given to a children's establishment for full state maintenance or adoption the mother shall be entitled to cash benefit till the elapse of 42 days after the birth. If the capacity to work of the mother is not recovered due to the birth after the 42 day the term of the compensation shall be extended according to the assessment of the health authorities till the restoration of her capacity to work. Till the elapse of the term of para 1 this benefit shall be paid as compensation for pregnancy and childbirth.

(4) (suppl. – SG 98/16, in force from 01.06.2017) When the child is given for adoption, is accommodated pursuant to Art. 26, Para. 1 of the Child Protection Act in a children's establishment at full state maintenance or dies after the 42 days after the birth, as well as the child's bringing up by a person involved in programs to support motherhood, the compensation of para 1 shall be terminated on the next day. In these cases, if the capacity to work of the mother has not been recovered due to the birth, shall be applied para 3, sentences two and three.

(5) (amend. – SG 109/08, in force from 01.01.2009, amend. – SG 98/16, in force from 01.06.2017, amend. - SG 30/18, in force from 01.07.2018) The insured for general disease and motherhood person, with whom the child is accommodated under Art. 26, para. 1 of the Child Protection Act, shall be entitled to compensation under para 1 in extent of the difference between the age of the child on the day of its accommodation pursuant to Art. 26, para. 1 of the Child Protection Act, till the elapse of the term of the due benefit for childbirth.

(6) (new – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. – SG 98/16, in force from 01.06.2017, amend. - SG 30/18, in force from 01.07.2018) A father, who is insured for general disease and motherhood, shall be entitled to a childbirth

benefit in amount calculated according to Art. 49 for a period of 15 days during the leave as per Art. 163, para 8 of the Labour Code, when he meets the requirements of Art. 48a.

(7) (new – SG 109/08, in force from 01.01.2009, amend. – SG 98/16, in force from 01.06.2017, amend. - SG 30/18, in force from 01.07.2018) The person insured for general disease and motherhood shall be entitled to a childbirth benefit in amount specified according to Art. 49, after the child becomes 6 months old for the days remaining to the total of 410 days during their leave under Art. 163, para 10 and 12 of the Labour Code, provided that the said person meets the requirements of Art. 48a.

(8) (amend. – SG 99/12, in force from 01.01.2013, amend. - SG 30/18, in force from 01.07.2018) The self-insured persons shall be entitled to a compensation under Para 1, 2, 3, 4, 5, 6 and 7, when they meet the requirements of Art. 48a.

### **Compensation for non-use of leave for pregnancy and childbirth**

Art. 50a. (new - SG 98/16, in force from 01.06.2017) (1) (amend. - SG 30/18, in force from 01.07.2018) The mother who meets the requirements of Art. 48a, shall receive monetary compensation amounting to 50 per cent of the compensation under Art. 49, when:

1. upon expiration of the postpartum periods permitted with acts of the health authorities, she does not use leave for pregnancy and childbirth, or the person who uses such leave terminates its use;
2. upon expiration of the postpartum periods permitted with acts of the health authorities, the self-insured person starts to work under employment which provides for sickness and maternity insurance.

(2) (amend. - SG 30/18, in force from 01.07.2018) When the mother has died, has been deprived of parental rights or the custody of the child has been granted to the father, this compensation shall be paid to the father, and in the event of his death – to the guardian. Compensation shall be paid when the person bringing up the child meets the requirements of Art. 48a.

(3) Compensation under par. 1 and 2 shall not be paid upon death of the child when the child was given up for adoption, was accommodated under Art. 26, para. 1 of the Child Protection Act, or at a child-care facility on full state support, as well as in bringing it up by a person involved in programs to support motherhood.

### **Compensation for death or illness of the mother or the adoptive mother of a child up to 5 years of age (title amend. - SG 30/18, in force from 01.07.2018)**

Art. 51. (amend., SG 64/00; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. – SG 98/16, in force from 01.01.2017, amend. - SG 30/18, in force from 01.07.2018) In case of death or serious illness of the mother (the adopter) that hampers her to bring up the child, the person using leave under art. 167 of the Labour Code shall be paid the compensation set out in Art. 49, 53 or 53c. The compensation shall also be paid to self-insured persons, who meet the requirements of the Art. 48a, 52a and 53a.

### **Compensation for pregnancy and childbirth and adoption of a child up to 5 years of age upon termination of the insurance (title amend. - SG 30/18, in force from 01.07.2018)**

Art. 52. (amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) At termination of the insurance for general disease and motherhood while receiving compensation for pregnancy and childbirth or for adoption of a child up to 5 years of age, the insured person shall be granted cash benefit till the elapse of the term of the compensation payment for pregnancy and childbirth under Art. 50 or for adoption of a child under Art. 53c.

### **Right to compensation for bringing up a child up to 2 years of age (title amend. - SG**

**30/18, in force from 01.07.2018)**

Art. 52a. (new, SG 112/03, amend. SG 69/04; amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) The persons insured for general disease and motherhood shall be entitled to cash compensation for raising a child until the age of 2 years if they have 12 months of insurance coverage as insured for this risk.

**Terms for providing documents and data required for payment of compensation for bringing up a child up to 2 years of age (Title suppl. - SG 98/15, in force from 01.01.2016, amend. - SG 30/18, in force from 01.07.2018)**

Art. 52b. (new – SG 99/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013; amend. and suppl. - SG 98/15, in force from 01.01.2016, amend. - SG 30/18, in force from 01.07.2018) The insurers, their branches and units and the insurance funds shall submit to the respective territorial unit of the National Insurance Fund the documents and data for payment of a pecuniary compensation for child care until the age of 2 years within the time limit under Art. 40a, Item 1, and the self-insured persons – by the 10th of the month following the month from which the payment of the compensation is requested.

**Compensation for bringing up a child up to 2 years of age (title amend. - SG 30/18, in force from 01.07.2018)**

Art. 53. (1) (amend. SG 1/02, amend. - SG 30/18, in force from 01.07.2018) After the elapse of the term of the compensation for pregnancy and childbirth during the additional paid leave for bringing up a child until the age of 2 years to the mother shall be paid monthly cash compensation in extent determined with the Budget of State Public Insurance Act. Compensation is also paid to the adoptive mother if, after the expiry of the compensation for the adoption of a child, he or she has not reached the age of 2.

(2) (amend. SG 1/02, amend. - SG 30/18, in force from 01.07.2018) When the additional paid leave for bringing up a child is used instead by the mother (the adopter mother) by the father (the adopter father) or by the person who have undertaken the bringing up of the child, shall be paid monthly cash compensation in extent determined with the Budget of State Public Insurance Act. This compensation shall be paid to the guardian when he uses leave under art. 167, para 5 of the Labour Code.

(3) (new – SG 69/04, amend. - SG 30/18, in force from 01.07.2018) The compensation of para 1 shall be paid also to the persons, who use leave for bringing up a child until reaching two years of age, accommodated by the order of art. 26, para 1 of the Child Protection Act.

(4) (prev. (3), amend. SG 69/04; amend - SG 68/06, in force from 01.01.2007; amend. – SG 89/08; amend. – SG 49/10, in force from 01.07.2010; amend. – SG 100/10, in force from 01.01.2011; amend. - SG 98/16, in force from 01.01.2017, amend. - SG 30/18, in force from 01.07.2018) The cash compensation of para 1, 2 and 3 shall not be paid at death of the child, giving it for adoption, upon termination of adoption or at accommodation of the child under the Art. 26, Para 1 of the Child Protection Act or at a children's establishment including nurseries, as well as at its bringing up by a person involved in safe-motherhood programmes.

(5) (new – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) Self-insured persons shall be entitled to compensation under para. 1, 2, 3 and 4, when they meet requirements of Art. 52a.

**Entitlement to compensation for the adoption of a child up to 5 years of age (title amend. -**

### **SG 30/18, in force from 01.07.2018)**

Art. 53a. (new – SG 104/13, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) The persons insured for general disease and maternity are entitled to compensation for the adoption of a child up to the age of 5 years if they have 12 months of insured service as insured for this risk.

#### **Deadline for submission of documents and data for payment of compensation for the adoption of a child up to the age of 5**

Art. 53b. (new – SG 30/18, in force from 01.07.2018) Insurers, their branches and divisions and insurance funds submit to the respective territorial division of the National Social Security Institute documents and data on payment of cash compensation for the adoption of a child up to the age of 5 within the term under Art. 40a, item 1, and the self-insured persons - by the 10th day of the month following the one from which the compensation is claimed.

#### **Compensation for the adoption of a child up to the age of 5**

Art. 53c. (new – SG 30/18, in force from 01.07.2018) (1) To the person insured for general disease and maternity during the leave for the adoption of a child up to the age of 5 a compensation shall be paid in the amount determined by the order of art. 49, for up to 365 days from the date of giving the child for adoption but no later than the child's 5 years of age.

(2) To the adoptive parent, insured for general disease and maternity, a compensation shall be paid in case of adoption of a child in the amount, determined by the order of Art. 49 for up to 15 days during the leave under Art. 164b, para. 8 of the Labour Code.

(3) To the person insured for general disease and maternity a compensation shall be paid in the amount determined by the order of art. 49 after the expiration of 6 months from the date of the child's adoption for the remainder up to 365 days during the leave under Art. 164b, para. 2, 3 or 5 of the Labour Code.

(4) The monetary compensation under para. 1, 2 and 3 shall not be paid in the case of death of the child, termination of the adoption, accommodation in a child care facility of full state support, as well as when the child visits a childcare facility, including a nursery or an educational establishment.

(5) Self-insured persons are entitled to compensation under para. 1, 2, 3 and 4, when they meet the conditions under Art. 53a.

#### **Compensation for non-use of parental leave for adoption of a child up to 5 years of age**

Art. 53d. (new – SG 30/18, in force from 01.07.2018) (1) The adoptive mother of a child up to the age of 5 or the adoptive father who has alone adopted a child up to the age of 5, when he/she meets the conditions of Art. 53a, receives a monetary compensation amounting to 50 per cent of the compensation under Art. 49, when after 90 days from the date of giving of the child for adoption:

1. does not use adoption leave or the person taking such leave interrupts its use;

2. the self-insured person starts a working activity, for which he/she is insured for general disease and maternity.

(2) When the adoptive mother has died, has been deprived of parental rights or the custody of the child has been granted to the adoptive father, the compensation under para. 1 shall be paid to the adoptive father, and in the event of his death – to the guardian. The compensation shall be paid to the guardian also in cases where the adoptive father, who has adopted a child alone, has died or is deprived of parental rights. Compensation shall be paid when the person who has taken up raising of the child meets the conditions under Art. 53a.

(3) The compensation under para. 1 and 2 shall not be paid in the case of death of the child, termination of the adoption, accommodation in a child care facility of full state support, as well as when raising by a person included in maternity support programs.

#### **Compensation for non-use of additional paid leave for bringing up of a child up to 2 years**



**of age (title amend. - SG 30/18, in force from 01.07.2018)**

Art. 54. (\*) (1) (amend. SG 1/02; suppl., SG 112/03; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) The mother (adoptive mother), who meets the requirements under Art. 52a, shall get cash compensation in the amount of 50 per cent of the compensation under Art. 53, provided that:

1. (amend. - SG 30/18, in force from 01.07.2018) she does not use the additional paid leave for bringing up of a child or the person who uses such leave terminates its use;

2. (amend. – SG 109/08, in force from 01.01.2009) the self-insured person entitled to compensation under Art. 53 starts practicing labour activity, for which he/she is getting insured for general disease and motherhood.

(2) (amend. SG 1/02; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. - SG 30/18, in force from 01.07.2018) If the mother (the adopter) has deceased, has been deprived from parent rights or the exercising of the parent rights has been conceded to the father (the adopter father) this benefit shall be paid to the father (the adopter father) and if he has deceased - to the guardian. The compensation shall be paid if the person undertaken the bringing up of the child, meets the requirements under Art. 52a.

(3) (suppl. – SG 68/06, in force from 01.01.2007; amend. – SG 89/08; amend. – SG 49/10, in force from 01.07.2010, suppl. - SG 30/18, in force from 01.07.2018) The compensation of para 1 and 2 shall not be paid upon the child's death, when the child is given up for adoption, when the adoption is terminated, is accommodated under Art. 26, para. 1 of the Child Protection Act or if the child has been accommodated in a children's establishment with full state maintenance, as well as in the case of their bringing up by person involved in programmes to support motherhood.

**Section III.**

**UNEMPLOYMENT BENEFITS (new – SG 1/02; prev. Chapter IV A – SG 106/13, in force from 01.01.2014)**

**Right to unemployment benefit**

Art. 54a. (new – SG 1/02) (1) (amend. SG 115/0; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009, amend. – SG, 99/17, in force from 01.01.2018) Right to unemployment benefit shall have the persons, for whom insurance instalments have been paid or is due in fund "Unemployment" at least 12 months during the last 18 months before the termination of the insurance and who:

1. (amend. – SG 109/08, in force from 01.01.2009) have registration as unemployed at the Agency for employment;

2. (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012; amend. - SG 98/15, in force from 01.01.2016) have not acquired a right to pension for pensionable service and age in the Republic of Bulgaria or old-age pension in another country or do not receive a reduced pension for pensionable service and age according to Art. 68a or a professional pension under Art. 168;

3. (amend. – SG 107/14, in force from 01.01.2015; suppl. - SG 54/15, in force from 17.07.2015, amend. – SG, 99/17, in force from 01.01.2018) do not exercise labour activity, for which they are subject to obligatory insurance under this Code, or under the legislation of another state, except for the persons under Art. 114a, Para 1 of the Labour Code.

(2) (new – SG 105/06, in force from 01.01.2007) For the purpose of acquiring of right to cash benefit under par. 1 shall be considered also the time:

1. of the paid and non-paid leave for bringing up of a child;

2. (suppl. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018)

of the paid and non-paid leaves for temporary inability to work and for pregnancy and childbirth, as well as leave in the cases of adoption of a child up to 5 years of age;

3. of the non-paid leaves of up to 30 working days in one calendar year;

4. (suppl. - SG 102/18, in force from 01.01.2019) the approved as pensionable service in compliance with the legislation of another country on the grounds of an international treaty, of which the Republic of Bulgaria is a party, or of European regulations on the coordination of social security systems.

(3) (prev. par. 2 – SG 105/06, in force from 01.01.2007) The pecuniary unemployment benefit shall be released on the basis of an application to the territorial division of the National Social Security Institute.

(4) (prev. par. 3 – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011) The unemployment benefit shall be paid from the date of the last termination of the insurance, provided that:

1. the application of para 3 has been submitted in 3 months term from this date;

2. the person is registered as unemployed at the National Employment Agency within 7 working days from the abovementioned date.

(5) (new – SG 100/10, in force from 01.01.2011) In those cases where the application under para 3 has been submitted after the expiration of the term as of para 4, item 1, the cash benefit shall be paid up from the date of the application for the period set out in Art. 54c or Art. 54b, para 3 or para 4, reduced by the time of delay.

(6) (new – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013) If the application under para 3 is submitted within the term as of para 4, item 1, while the registration of the person at the National Employment Agency as unemployed is made after the term under para 4, item 2 has expired due to non-excusable reasons, the cash benefit shall be paid from the date of registration for the period fixed in Art. 54c or Art. 54b, para 3 or para 4, reduced by the time of delay.

(7) (amend. – SG 109/08, in force from 01.01.2009; prev. text of para 5 – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013; revoked – SG 106/13, in force from 01.01.2014)

### **Unemployment benefit amount (new – SG 1/02)**

Art. 54b. (new – SG 1/02) (1) (amend., SG 112/03; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 98/10, in force from 01.01.2011; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012, suppl. – SG, 99/17, in force from 01.01.2018) The extent of the daily unemployment allowance shall be 60 percent of the average daily remuneration or the average daily insurable income on which insurance instalments have been paid to fund "Unemployment" or are due for the last 24 calendar months, preceding the month during which the insurance has been terminated, and it cannot be less than the minimum and larger than the maximum extent of the daily unemployment allowance.

(2) (amend. – SG 109/08, in force from 01.01.2009; amend. – SG 100/10, in force from 01.01.2011, amend. and suppl. – SG, 99/17, in force from 01.01.2018) The minimum and maximum daily unemployment allowance shall be determined every year with the Budget of State Public Insurance Act.

(3) (suppl., SG 67/03, suppl. SG 95/03; amend. - SG 82/06; amend. – SG 64/07; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 53/14; suppl. - SG 79/15, in force from 01.11.2015, amend. – SG, 99/17, in force from 01.01.2018) The unemployed persons, whose legal terms of employment have been terminated upon their wish or their consent, or due to their guilty conduct, on the ground of art. 325, items 1 and 2, art. 326, 330 and 331 of the Labour Code, art. 103, para 1, items 1, 2 and 5, art. 105 and 107, para 1, items 1 – 4 and Art. 107a of

the Civil Servant Act, art. 162, items 1 and 6, art. 163 and art. 165, items 2 and 3 of the Act on Defence and Armed Forces of the Republic of Bulgaria and art. 246, para 1, items 4, 6, 8 and 16 of the Ministry of Interior Act, Art. 101, para 1, items 5, 7 and 9 of the State Intelligence Agency Act and art. 165, para 1, item 2, 3 and 5 and art. 271, para 1, item 2, 3 and 5 of the Judiciary System Act or under other laws, shall receive the minimum amount of the unemployment benefit for a term of 4 months.

(4) The unemployed persons, who have acquired right to cash benefit under art. 54a before the expiry of three years from a previous exercising of the right to unemployment benefit shall receive the minimum extent of the benefit for a term of 4 months.

(5) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009) The extent of the daily unemployment allowance shall be calculated by multiplying the daily allowance under para 1 to the number of the working days in the respective month.

(6) (amend. – SG 100/10, in force from 01.01.2011, amend. – SG 98/16, in force from 01.01.2017) The persons, hired to work not full working time within the time of payment of the cash benefit and receiving remuneration smaller than the minimum salary, established for the country, shall receive unemployment benefit in extent of 50 percent of the due cash benefit for the remaining period of the payment.

(7) (new – SG 105/06, in force from 01.01.2007; amend. – SG 109/08, in force from 01.01.2009) When in the period under par. 1, from which the average daily remuneration or the average daily insurable income is calculated, the time, approved as pensionable service is included, without insurance being due, or the period during which the person is insured for unemployment, when determining the insurable income, the following shall be taken respectively:

1. (amend. – SG 109/08, in force from 01.01.2009) for the time of a paid and non-paid leave for bringing up a child, of non-paid leave for temporary inability to work and for pregnancy and childbirth and of non-paid leave up to 30 working days in one calendar year – the minimum average daily salary, established for the country;

2. (suppl. – SG 106/13, in force from 01.01.2014; suppl. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) for the time of a paid leave for temporary inability to work and for pregnancy and childbirth, as well as in the cases of adoption of a child up to 5 years of age – the income, on the basis of which the benefit has been calculated in the legal relations with regards to which the person is insured for unemployment;

3. (amend. – SG 109/08, in force from 01.01.2009) for the time, approved as pensionable service under the legislation of another country on the grounds of an international treaty, on which the Republic of Bulgaria is a party – the minimum average daily working salary, established in the country for the respective period.

4. (new – SG 109/08, in force from 01.01.2009) for the time, during which the person has not been insured for unemployment – the average daily working salary, established for the respective period in the state.

**Terms for payment of the unemployment benefit (new – SG 1/02)**

Art. 54c. (new – SG 1/02) (1) (amend. – SG 98/16, in force from 01.01.2017, amend. – SG, 99/17, in force from 01.01.2018) Unemployment benefits shall be paid monthly during the month following the one for which they are due for a term, defined according to the insured length of service, during which persons have been insured for unemployment, for the period after December 31, 2001, as follows:

Insurance service with unemployment insurance for the	Term of payment of compensation (months)
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period after December 31, 2001 (years)	
up till 3 years	4
from 3 years and 1 day to 7	6
from 7 years and 1 day to 11 years	8
from 11 years and 1 day to 15 years	10
over 15 years	12

(2) (new, SG 67/03, revoked – SG 98/16, in force from 01.01.2017)

(3) (prev. para 2 - SG 67/03, suppl. SG 95/03; revoked – SG 100/10, in force from 01.01.2011)

(4) (prev. para 3 - SG 67/03; revoked – SG 109/08, in force from 01.01.2009)

### **Suspension of payment of cash unemployment benefits (new – SG 1/02)**

Art. 54d. (new – SG 1/02) (1) (amend. – SG 100/10, in force from 01.01.2011; amend. – SG 107/14, in force from 01.01.2015) The payment of unemployment benefit shall be stopped for the period, during which the person receives cash benefit for temporary loss of working capacity or unemployment benefit based on a statutory instrument.

(2) (amend., SG 112/03; amend. – SG 100/10, in force from 01.01.2011) The unemployed shall be obliged to declare before the respective territorial unit of the National Social Security Institute directorate if any of the circumstances referred to in para 1 occurs or no longer exists within 7 working days .

(3) (suppl. – SG 100/10, in force from 01.01.2011) The payment shall be renewed from the day of falling away of the grounds for suspension for the period remaining by the suspension date.

(4) (new – SG 100/10, in force from 01.01.2011; suppl. - SG 98/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018, amend. - SG 102/18, in force from 01.01.2019) The official under Art. 54g, para 1 shall suspend by an order the proceedings of grant or the payment of unemployment benefit, in those cases where there are data, which may lead to issuance of order for refusal or termination of the payment of benefit and/or it is needed clarification of the insurance length of service, and/or insurance income while applying the provisions of an international treaty, to which the Republic of Bulgaria is a party, or of the European regulations for the coordination of social security systems.

### **Termination of the payment of cash unemployment benefit (new – SG 1/02)**

Art. 54e. (new – SG 1/02) (1) The payment of the unemployment benefit shall be terminated in case of:

1. (amend. – SG 107/14, in force from 01.01.2015; suppl. - SG 54/15, in force from 17.07.2015) commencement of labour activity, for which the person is subject to obligatory insurance under this Code, except for the persons under Art. 114a, Para 1 of the Labour Code, or pursuant to the legislation of another state.

2. termination of the registration by the National Employment Agency;

3. (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 100/11, in force from 01.01.2012; amend. - SG 98/15, in force from 01.01.2016) acquiring a pension for pensionable service and age in the Republic of Bulgaria or an old-age pension in another country or upon grant of a reduced pension for pensionable service and age under Art. 68a or a professional pension under Art. 168;

4. (revoked, SG 112/03)

5. death of the unemployed.

(2) (amend., SG 112/03; revoked – SG 107/14, in force from 01.01.2015)

(3) (amend., SG 112/03; amend. – SG 107/14, in force from 01.01.2015) The person shall be obliged to declare before the respective territorial division of the National Social Security Institute the occurrence of the circumstances of para 1, item 1, 2 and 3 in 7 working days term.

(4) (revoked, SG 112/03)

(5) (suppl. – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013, suppl. – SG 98/16, in force from 01.01.2017, amend. – SG, 99/17, in force from 01.01.2018) If during the receiving cash benefit the person starts to carry out activity which is a ground for obligatory insurance of Art. 4 or perform labour activity under the legislation of another country, which will be discontinued after less than 12 months, the payment of the cash benefit shall be resumed for the remaining period after the date of termination, provided that the person's registration at the National Employment Agency has been made within 7 working days termination of employment. If the registration is made after the abovementioned term has expired due to non-excusable reasons, the benefit shall be reimbursed as of the date of the new registration for the period remaining by that date, reduced by the time of delay.

**Restoration of unemployment benefit received in good faith (new – SG 1/02)**

Art. 54f. (new – SG 1/02; suppl., SG 67/03) (1) (suppl. – SG 82/06 ; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 53/14, amend. – SG 98/16, in force from 01.01.2017) The paid unemployment benefit shall be restored by the persons for the period of the received benefit to remain unemployed due to unfair dismissal determined in accordance with a normative act.

(2) (amend. – SG 98/16, in force from 01.01.2017) In 7 days term after the payment of the benefit having remained unemployed due to unfair dismissal, the insurer shall be obliged to present copies of the court decision and the payment documents to the respective territorial division of the National Social Security Institute.

(3) (new – SG 105/06, in force from 01.01.2007; amend. – SG 100/11, in force from 01.01.2012; amend. – SG 99/12, in force from 01.01.2013; amend. – SG 107/14, in force from 01.01.2015; amend. - SG 98/15, in force from 01.01.2016) The paid unemployment benefits shall be restored by the persons for the period, for which they have been granted a pension for pensionable service and age in the Republic of Bulgaria or old-age pension in another Member State, a reduced pension for pensionable service and age under Art. 68a or a professional pension under Art. 168, and for the period, during which they have received cash benefit for temporary loss of working capacity and for pregnancy and childbirth or a cash benefit for unemployment as set out in a law.

(4) (amend. - SG 105/05, in force from 01.01.2006; prev. par. 3 – SG 105/06, in force from 01.01.2007; amend. – SG 99/12, in force from 01.01.2013; suppl. - SG 98/15, in force from 01.01.2016) For restoration of the sums under Para 1 and 3 the official, to whom has been assigned the management of the insurance for unemployment at the territorial division of the National Social Security Institute or another official determined by the head of the division, shall issue an order, which shall be subject to forced execution by the order of the Tax-insurance Procedure Code.

(5) (prev. par. 4 – SG 105/06, in force from 01.01.2007; suppl. – SG 100/10, in force from 01.01.2011; revoked – SG 107/14, in force from 01.01.2015)

**Allocation, payment, change, suspension and termination of unemployment benefit (new – SG 1/02; title suppl. – SG 109/08, in force from 01.01.2009)**

Art. 54g. (new – SG 1/02) (1) (amend. – SG 100/10, in force from 01.01.2011) The unemployment benefits shall be released, changed, refused, stopped, terminated, resumed and restored with an order by the official to whom has been assigned the management of the insurance for unemployment or another official appointed by the chief of the territorial unit of the National Social Security Institute.

(2) (new – SG 99/12, in force from 01.01.2013) The order under Para 1 that has entered into

force may be amended or revoked by the issuing authority, where:

1. new documents and evidence have been submitted, which are relevant for determining the right, size and period of payment of the unemployment cash benefit;

2. the unemployment cash benefit was improperly granted or refused.

(3) (\*) (amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 100/10, in force from 01.01.2011; prev. text of Para 02 – SG 99/12, in force from 01.01.2013; amend. – SG 106/13, in force from 01.01.2014) The official of para 1 shall issue an order for restoration of the ungrounded unemployment allowances. The sums due according to the orders can be deducted from claims of the persons from state public insurance pursuant to Art. 114, para 5 and they shall be subject to compulsory execution by the order of the Tax-insurance Procedure Code.

(4) (new – SG 109/08, in force from 01.01.2009; suppl. - SG 99/09, in force from 01.01.2010; prev. text of Para 03 – SG 99/12, in force from 01.01.2013) Unemployment benefits shall be paid up by the National Social Security Institute in the personal bank accounts announced by the persons.

#### **Obligations for conceding of information (new – SG 1/02)**

Art. 54h. (new – SG 1/02) (1) (amend. – SG 107/14, in force from 01.01.2015) The National Employment Agency shall provide the National Social Security Institute with the information, necessary for releasing, payment, stopping, terminating and changing of the unemployment benefit on a daily basis.

(2) The National Social Security Institute shall concede information to the Agency for employment about the payment, the stopping and the terminating of the unemployment benefit.

#### **Right to cash benefit for long lasting unemployment**

Art. 54i. (new – SG 105/06, in force from 01.01.2007) (1) (amend. – SG 99/09, in force from 01.01.2010; revoked – SG 100/10, in force from 01.01.2011)

### **Section IV.**

#### **Granting and calculation of cash benefits and aid (new – SG 106/13, in force from 01.01.2014)**

##### **Granting and calculation of cash benefits for temporary loss of working capacity, vocational rehabilitation, pregnancy and childbirth and bringing up a child and of aid**

Art. 54j. (new - SG 106/2013, in force from 01.01.2014, amend. – SG, 99/17, in force from 01.01.2018) Granting and calculation of cash benefits for temporary loss of working capacity, vocational rehabilitation, pregnancy and childbirth and bringing up a child and of aid from the state public insurance shall be carried out on the basis of the data under Art. 5, para 4, item 1 and Art. 33, Para. 5, item 12, as well as the data, declared in the documents submitted for payment of benefits and allowances from the state social insurance under terms and following a procedure set out by a regulation of the council of Ministers.

##### **Granting and calculation of unemployment benefits**

Art. 54k. (new - SG 106/2013, in force from 01.01.2014) Granting, calculation, amendment, refusal, suspension, termination resumption and recovery of cash employment benefits shall be carried out on the grounds of the data under Art. 5, para 4, item 1 as well as the data, declared in the documents submitted for payment of the benefits under terms and following a procedure set out by a regulation of

the council of Ministers.

**Recalculation of cash benefits for temporary incapacity for work, vocational rehabilitation, pregnancy and childbirth and adoption of a child up to 5 years of age (title amend. - SG 30/18, in force from 01.07.2018)**

Art. 54l. (new – SG 107/14, in force from 01.01.2016, amend. – SG 98/16, in force from 01.01.2017) (1) The monetary benefits shall be recalculated ex officio by the 30<sup>th</sup> of June of the year following the year, to which they relate, in an order determined by the act of Art. 54j based on the data of Art. 5, Para. 4, item 1 and/or the final insurable income, determined in accordance with Art. 6, Para. 9 and the deposited final insurance contributions.

(2) When, as a result of the recalculation under Para. 1, a difference has been established between paid and payable amount of compensation:

1. the difference to the higher amount shall be paid to the person within the period under par. 1;
2. the paid in the amount higher than the amount due shall be reimbursed by the person, unless it is the result of incorrectly submitted data for payment of monetary compensation and/or certifying insurance service and income from the insurer.

**Chapter five.**

**INSURANCE FOR EMPLOYMENT ACCIDENT AND PROFESSIONAL DISEASE**

**Employment Accident**

Art. 55. (1) (amend. – SG 41/09, in force from 02.06.2009) Employment accident shall be any sudden damage of health occurred during and in connection or on occasion of the implemented work done in the interest of the enterprise when it has cause temporary inability to work, permanently reduced ability to work or death.

(2) (suppl. – SG 106/13, in force from 01.01.2014; amend. – SG 107/14, in force from 01.01.2015) Employment accident shall also be the accident happened with an insured person of art. 4, para 1 and Art. 4a during the usual way to the working place to or from:

1. the basic place of living or other additional place of living with permanent character;
2. the place where the insured person usually eats during the working day;
3. the place for receiving remuneration.

(3) It is not a labour accident when the suffered has intentionally damaged his health.

**Professional disease**

Art. 56. (1) Professional disease shall be a disease that has exclusively or primarily occurred under the influence of the harmful factors of the working environment or the working process over the organism and is included in the List of the professional diseases, issued by the Council of Ministers upon a proposal by the Minister of Health.

(2) (amend. – SG 41/09, in force from 02.06.2009; suppl. – SG 107/14, in force from 01.01.2015) As professional disease can be recognised also a disease not included in the List of the professional diseases when it is found that it has been caused mainly and directly by the usual working activity of the insured person and has caused temporary incapacity for work, permanently reduced ability to work or death to the insured person.

(3) To the professional disease shall also be added its aggravation and late consequences.

### **Declaring labour accidents**

Art. 57. (1) (suppl. – SG 7/12, amend. - SG 102/18, in force from 01.01.2019) The insurer or, in those cases where the injured one is sent on assignment at a user enterprise - the user enterprise, shall be obliged in 5 working days to declare before the territorial division of the National Social Security Institute any labour accident.

(2) (amend. SG 1/02; suppl. – SG 7/12) If the insurer or user enterprise does not declare the accident, the suffered person or his heirs shall have right in one year term after the accident to declare it before the territorial division of the National Social Security Institute.

(3) The order for establishing, investigation, registration and accounting the labour accidents shall be determined with an act by the Council of Ministers.

### **Investigation of a labour accident**

Art. 58. (1) The territorial division of the National Social Security Institute shall together with the Labour Inspectorate, the committees and the groups for labour conditions and other competent bodies, depending on the case, investigate each death labour accident, any accident that has caused damage to more than 3 workers as well as any accident about which there is ground to be supposed that it will lead to disability.

(2) The territorial division of the National Social Security Institute shall at its discretion investigate also other accidents apart from these pointed out in para 1.

(3) The investigation of a labour accident has to establish:

1. the reasons for occurrence of the labour accident and the circumstances;

2. the kind of the damages;

3. (amend. SG 1/02) other data that will help the territorial division of the National Social Security Institute to decide about the character of the accident.

(4) At investigation of the accident the damaged person shall have the right to be present or to point out to be present:

1. a worker or an employee of the same profession, or

2. a member of the family or ascending or descending relative, or

3. representative of the professional trade union he participates in;

4. a representative of the workers and the employees in the committees and the groups for labour conditions.

(5) (amend. SG 1/02) The rights of para 4 shall have the heirs of the person, died at labour accident and the persons of item 2, when the health status of the damaged person does not allow him to point out a representative.

(6) (amend. – SG 106/13, in force from 01.01.2014) The results of the investigation shall be compiled in a record of standard form which shall be valid till the opposite is proven. A copy of the record shall be submitted to the territorial division of the National Social Security Institute, to the damaged person or to his heirs and to the insurer/user enterprise.

### **File**

Art. 59. (1) (amend. SG 1/02) About each labour accident or professional disease the territorial division of the National Social Security Institute shall open a file containing:

1. the declaration about the accident or the message about the professional disease;

2. record of the of the labour accident when such has been done or a record for investigation of the professional disease;

3. the order for accepting or not accepting the accident as labour one or the expert decision for confirmation or rejecting of the professional disease and the registration card about recognised



professional disease;

4. (amend. – SG 106/13, in force from 01.01.2014, amend. – SG 98/16, in force from 01.01.2017) the data from the issued doctor's notes for sick leaves and the decisions following their appeal from the register under Art. 33, Para. 5, item 12;

5. (revoked – SG 106/13, in force from 01.01.2014)

5. documents connected with medical and other expenses;

6. other documents connected with the accident or the disease.

(2) The damaged person and the insurer shall have the right to be familiar with the contents of the file;

(3) (revoked – SG 106/13, in force from 01.01.2014)

### **Qualification of the accident as labour**

Art. 60. (1) (amend. – SG 98/16, in force from 01.01.2017) The servant determined by the chief of the territorial division of the National Social Security Institute shall, on the basis of the documents in the file and the data in the information system under Art. 33, Para. 5, item 7, within 7 days after the declaring, issue an order about accepting or not the accident as labour one.

(2) (new – SG 1/02) At declared accident on occasion of non traumatic damage the order of para 1 shall be issued on the basis of the decision of the bodies, implementing the expertise of the working ability.

(3) (prev. (2) – SG 1/02; amend. – SG 106/13, in force from 01.01.2014, amend. – SG 98/16, in force from 01.01.2017) The order shall be sent to the insured and to the insurer/user enterprise.

(4) (prev. (3) – SG 1/02) The order shall be subject to appeal by the interested persons by the order of art. 117.

### **Informing about professional disease**

Art. 61. (Amend., SG 76/05, in force from 1st of January 2007) The practising doctors and doctors of dental medicine shall at doubt about a professional disease send a notification to the territorial division of the National Social Security Institute.

### **Preparing documents about a professional disease**

Art. 62. (1) After each notification of art. 61 the territorial division of the National Social Security Institute shall implement investigation, prepare documents and present them to the medical expert bodies.

(2) The insurer shall prepare and present the necessary documents of para 1 at the territorial division of the National Social Security Institute in 30 days term after they are required.

(3) (new – SG 1/02) The bodies of the expertise of the working ability shall issue an expert decision about confirmation or rejection of the professional disease and fill in the registration card for professional disease.

### **Procedure for notification, registration and appeal of professional diseases**

Art. 63. The order for announcing, registration, confirmation, appealing and accounting of the professional diseases shall be determined with an act of the Council of Ministers.

### **Extent of the insurance payment for fund "Labour accident and professional disease"**

Art. 64. (1) The extent of the insurance payments paid by the insurers shall be determined as a percentage of the monthly insurable income of the insured persons on the basis of the actuary estimates.

(2) (amend. – SG 112/2004) The State Public Insurance Act shall determine the extent of the insurance payment for labour accident and professional disease per groups basic economic activities.

(3) (amend. – SG 112/2004) The extent of the insurance payment shall be defined by the National Social Security Institute according to method and order determined with an act of the Council of Ministers.

(4) (revoked - SG 112/2004)

### **Measures for prevention of labour accident and professional disease**

Art. 65. Fund "Labour accident and professional disease" shall finance measures for prevention of labour accidents and professional diseases and for improving the labour conditions by:

1. rendering to the insurers assistance, consultancy and co-operation for establishing and realisation of an effective system for managing of labour safety and preserving health at work;

2. developing and participation in the development of national sector programmes (strategies) in the field of labour safety and preservation of health at work;

3. conducting training and increasing the qualification of those working in the field of labour safety and preserving of health at work;

4. implementing and assigning scientific research in the field of labour safety and preserving of health at work;

5. checking the status of labour safety and preserving of health at work;

6. investigating independently or with the other competent bodies the labour accidents and professional diseases;

7. conducting campaign activity, conceding information to the public about the issues of labour safety and preserving of health at work;

8. developing and participating in the development of normative acts for the labour safety and preserving of health at work;

9. studying and disseminating of positive experience in creating safe labour conditions;

10. implementing other activities for prevention of labour accidents and professional diseases.

### **Obligations of the insurer**

Art. 66. The insurer shall be obliged to:

1. (revoked – SG 106/13, in force from 01.01.2014)

2. inform immediately the territorial division of the National Social Security Institute, the Labour Inspectorate and other competent bodies about any death labour accident, any accident that has caused damages to more than three working persons as well as about any accident for which there is a ground to be supposed it would lead to disability;

3. (amend. SG 1/02; amend. – SG 106/13, in force from 01.01.2014; revoked – SG 107/14, in force from 01.01.2015)

4. (revoked – SG 1/02)

5. (revoked – SG 1/02)

### **Obligations of the user enterprise (Title amend. – SG 106/13, in force from 01.01.2014)**

Art. 66a. (new – SG 7/12; suppl. – SG 106/13, in force from 01.01.2011) All obligations of the user enterprise under the present Chapter shall also refer to enterprises where have been sent workers or employees on a temporary work.

### **Obligations of the insured person**

Art. 67. The insured person shall be obliged:

1. (revoked – SG 106/13, in force from 01.01.2014)
2. (amend. – SG 106/13, in force from 01.01.2014) to inform immediately the insurer/user enterprise or his proxy about a labour accident or established professional disease except the cases when this is impossible.

## **Chapter six. OBLIGATORY PENSION INSURANCE**

### **Section I. Pensions for pensionable service and retirement age**

#### **Entitlement to a pension**

Art. 68. (amend. – SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 01.01.2016) (1) The right to pension for pensionable service and age shall be acquired at turning 60 years and 10 months for women and 63 years and 10 months for men and pensionable service of 35 years and 2 months for women and 38 years and 2 months for men. As of December 31, 2016, the age shall be increased from the first day of each following calendar as follows:

1. until 31 December 2029 the age of the women shall increase with 2 months for each calendar year, and from 1 January 2030 - with 3 months for each calendar year until reaching the age of 65;

2. until 31 December 2017 the age of the men shall increase with 2 months, and from 1 January 2018 - with 1 month for each calendar year until reaching the age of 65;

(2) From December 31, 2016, the length of pensionable service under Para 1 shall be increased from the first day of each following calendar year with 2 months until reaching pensionable service of 37 years for women and 40 years for men.

(3) In case the persons are not entitled to pension under Para 1 and 2, before 31 December 2016 they shall be entitled to pension at the age of 65 years and 10 months for women and men and at least 15 years of actual pensionable service. After 31 December 2016 the age shall increase from the first day of each subsequent calendar year with 2 months until reaching the age of 67.

(4) (New - SG 102/18, in force from 01.01.2019) In assessing the right to a pension under Para. 1 and 2, and the pension being in relation to the application of an international treaty, to which the Republic of Bulgaria is a party, or of the European regulations for the coordination of social security systems, when the person does not acquire the right to a pension - with only the pensionable service credited under the Bulgarian legislation - but has at least 15 years of actual insurance period and reaches the age under Para. 3 by the time of certification of the foreign insured service period, a pension equal to the social old-age pension shall be granted, provided that the person does not receive another type of pension.

(5) (Previous Para. 4 - SG 102/18, in force from 01.01.2019) After 31 December 2037 the age under Para 1 shall depend on the increase of the average life duration.

#### **Reduced pension for pensionable service and age**

Art. 68a. (new - SG 61/15, in force from 01.01.2016) (1) The persons lacking the required pensionable service under Art. 68, Para 2, may, at their own volition, retire up to one year before the age defined under Art. 68, Para 1. The pension shall be granted as of the application date and shall be paid in

reduced amounts for life.

(2) The persons that have been granted a pension under Para 1 shall not be entitled to a pension under Art. 68, Para 1, 2 and 3.

**Entitlement to a pension by the servicemen under the Act on Defence and Armed Forces of the Republic of Bulgaria and by the civil servants under the Ministry of Interior Act and the Execution of Penalties and Detention Act (Title amend., SG 64/00; amend. - SG 68/06, in force from 01.05.2006; amend. – SG 25/09, in force from 01.06.2009 ; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 111/13, in force from 01.01.2014, amend. - SG 98/16, in force from 01.01.2017)**

Art. 69. (1) (amend. SG 38/05; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016) Military servicemen shall be entitled to pension as of the age of 52 years and 10 months and provided that they have 27 years of general pensionable service, two thirds of which actually served as civil military servicemen under the Act on the Defence and Armed Forces of the Republic of Bulgaria and/or reservists on active service under the Act on the Reserve of the Armed Forces of the Republic of Bulgaria.

(2) (amend., SG 64/00; Amend., SG 74/02; amend., SG 67/03, amend. SG 38/05; amend. - SG 68/06, in force from 01.05.2006; amend. – SG 25/09, in force from 01.06.2009; amend. – SG 100/10, in force from 01.01.2011; suppl. - SG 70/13, in force from 09.08.2013; amend. - SG 61/15, in force from 01.01.2016, amend. – SG 62/16, in force from 09.08.2016, suppl. – SG 7/18) The civil servants under the Ministry of Interior Act, the Special Intelligence Devices Act and the Execution of Penalties and Detention Act, the civil servants under para 11 from the Postal Services Act, the civil servants under Art. 16, Para. 2 of the Act On Counteracting Corruption And On Seizure Of Illegally Acquired Property, the civil servants carrying out activity of guarding of the judicial system under art. 391 of the Judiciary System Act, shall acquire right to pension at the age of 52 years and 10 months and provided that they have 27 years of general pensionable service, two thirds of which are really actually as civil servants according to the abovementioned laws, under the State Agency for National Security Act and as servicemen under the Act On The Defence And Armed Forces Of The Republic Of Bulgaria..

(3) (new – SG 109/07, in force from 01.01.2008; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 100/10, in force from 01.01.2011; amend. - SG 14/15; amend. - SG 61/15, in force from 01.01.2016) The civil servants under the State Agency for National Security Act shall acquire right to pension at the age of 52 years and 10 months provided that they have 27 years of general pensionable service, two thirds of which are actually served under the State Agency for National Security Act, at a military service or according to the laws of para 2.

(4) (suppl., SG 67/03; amend. - SG 68/06, in force from 01.05.2006; prev. par. 3, suppl. – SG 109/07, in force from 01.01.2008; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 99/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016) The persons under Para 2 and 3, served 15 years at positions of the flying personnel, paratroopers, the crews of the submarine vessels and the divers shall acquire right to pension at the age of 42 years and 10 months.

(5) (new – SG 99/12, in force from 01.01.2013; revoked - SG 111/13, in force from 01.01.2014, new - SG 79/15, in force from 01.01.2016) Civil servants of the State Intelligence Agency acquire right to pension at the age of 52 years and 10 months and provided that they have 27 years of total pensionable service, two thirds of which are actually served under the State Intelligence Agency Act or are military service or served under the Acts under par. 1, 2 and 3.

(5a) (new - SG 79/15, in force from 01.01.2016) Officers and sergeants of the National Security Service shall be entitled to pension at the age of 52 years and 10 months and provided that they have 27 years of total pensionable service, two thirds of which are actually served under the National Security Service Act, or are military service or under the Acts mentioned in para. 1, 2 and 3.

(6) (new – SG 102/06; prev. par. 4 – SG 109/07, in force from 01.01.2008; amend. – SG

102/08; amend. – SG 93/09, in force from 25.12.2009; amend. – SG 88/10, in force from 01.01.2011; amend. – SG 100/10, in force from 01.01.2011; prev. text of Para 05 – SG 99/12, in force from 01.01.2013; amend. – SG 53/14; amend. - SG 61/15, in force from 01.01.2016) The officers of the General Directorate "Fire Safety and Population Protection" of the Ministry of the Interior, carrying out any of the activities under Art. 17, Para 2, Item 6 of the Ministry of Interior Act, shall acquire the right of a pension at the age of 52 years and 10 months and 27 years of general pensionable service two thirds of which are actually served in the civil protection system.

(7) (new – SG 100/10, in force from 01.01.2011; prev. text of Para 06 – SG 99/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016) In case of termination of the legal relationship the employees holding "underwater diver" position at the General Directorate "Fire Safety and Population Protection" of the Ministry of Interior shall be entitled to a pension at the age of 42 years and 10 months.

(8) (new – SG 99/12, in force from 01.01.2013; amend. - SG 79/15, in force from 01.01.2016) The pensionable service for the right of pension under Para 1, 2, 3, 5, 5a and 6 shall be recognized complementarily, and the pensionable service under Para 4, 5 and 7 may complement the pensionable service under Para 1, 2, 3 and 6.

(9) (new - SG 61/15, in force from 01.01.2016; amend. - SG 79/15, in force from 01.01.2016) From 31 December 2016 the age of the persons under Para 1 - 7 shall increase as from the first day of each subsequent calendar year with 2 months until reaching the age of 55 for the persons under Para 1, 2, 3, 5, 5a and 6 and the age of 45 for the persons under Para 4 and 7.

(10) (new - SG 61/15, in force from 01.01.2016; amend. - SG 79/15, in force from 01.01.2016s) Entitlement to a pension under the conditions of Para 1 - 9 shall have also the persons having rendered military or public service according to the law under Para 1 - 3, 5 and 5a the persons having occupied the positions under Para 4 and 7, and the servicemen having exercised the activities under Para 6.

### **Entitlement to a pension of ballerinas, ballet-dancers and dancers with pensionable service in cultural organizations**

Art. 69a. (new - SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 01.01.2016) Persons with 25 years of pensionable service as ballerinas, ballet-dancers or dancers in cultural organisations shall be entitled to pension at the age of 42 years and 10 months.

(2) After 31 December 2016 the age of the persons referred to in Para 1 shall be increased from the first day of each subsequent calendar year by 2 months until reaching the age of 45.

### **Entitlement to a pension of persons working under first and second category labour conditions**

Art. 69b. (new - SG 61/15, in force from 01.01.2016) (1) (Amend. – SG, 99/17, in force from 01.01.2018) The persons that have worked for 10 years under first labour category conditions shall acquire right to pension under the following conditions:

1. (amend. – SG, 99/17, in force from 01.01.2018) by 31 December 2015 have reached the age of 47 years and 8 months in respect of women and 52 years and 8 months in respect of men and the sum of pensionable service and age amounts to 94 for the women and 100 for the men;

2. after 31 December 2015 the age under Item 1 shall increase as from the first day of each subsequent calendar year by 2 months in respect of men and by 4 months in respect of women until reaching the age of 55.

(2) (Amend. – SG, 99/17, in force from 01.01.2018) The persons that have worked for 15 years under second labour category conditions they acquire entitlement to a pension under the following conditions:

1. by 31 December 2015 have reached the age of 52 years and 8 months in respect of women and 57 years and 8 months in respect of men and the sum of pensionable service and age amounts to 94 for the women and 100 for the men;

2. after 31 December 2015 the age under Item 1 shall increase as from the first day of each subsequent calendar year by 2 months in respect of men and by 4 months in respect of women until reaching the age of 60.

(3) (amend. – SG 98/16, in force from 01.01.2017, amend. – SG, 99/17, in force from 01.01.2018) The persons who have 10 years of pensionable service under the conditions of Art. 104, Para 3, may retire before the age referred to in Art. 68, Para. 1, provided that the sum of their age and pensionable service amounts to 90 and by December 31, 2015, have completed 52 years of age in respect of men and 47 in respect of women. After 31 December 2015 the age shall increase from the first day of each subsequent calendar year by 2 months until reaching the age of 55 for both men and women.

(4) (Amend. – SG, 99/17, in force from 01.01.2018, amend. - SG 64/18, in force from 01.01.2018) Should the employment contract of the persons working under the conditions of Art. 104, Para. 3 be terminated on the grounds of Art. 328, Para. 1, item 1 and 2 of the Labour Code, they may retire not earlier than when turning 45 years and 4 months of age at 31 December 2017 and if they have an aggregate of 90 of the pensionable service and the age, and 10 years of pensionable service performed under the conditions of Art. 104, Para. 3. From December 31, 2017, the age shall increase by two months from the first day of each subsequent calendar year until reaching the age of 50 for both men and women.

(5) (Amend. – SG, 99/17, in force from 01.01.2018) Pension under Para. 1 – 4 shall be granted, where the persons have not acquired right to pension under Art. 168, or have changed their insurance under Art. 4c.

(6) In the assessment of the right to a pension under Para 2 the pensionable service of first category shall supplement the pensionable service of second category without transformation.

(7) (Amend. – SG, 99/17, in force from 01.01.2018) Persons under Para 1 - 4 shall be granted to a person, who has been entitled to pension under Art 168 where together with the application for granting pension, has submitted an application for transfer to Pensions Fund of the funds from his individual account in a professional pension fund. The application for transfer shall be submitted via the territorial unit of the National Insurance Institute to the corresponding pension insurance company managing the fund, where the person is insured. Within 7-day term from the date of the order for granting pension, the territorial unit of the National Insurance Institute shall send the application to the relevant company, unless by this date the person has changed his insurance under Art. 4c.

(8) In the cases of Para 7 the pension insurance company shall deposit the funds to the “Pensions” Fund of the state social insurance within one month from receipt of the application. Where the individual share lacks any funds, the pension insurance company shall notify the National Insurance Institute accordingly.

#### **Entitlement to a pension of teachers**

Art. 69c. (new - SG 61/15, in force from 01.01.2016) (1) The teachers shall be entitled to a pensionable service and age pension at the age of 57 years and 10 months for the women and 60 years and 10 months for the men and teacher’s pensionable service of 25 years and 8 months for the women and 30 years and 8 months for the men. After 31 December 2016 the age shall be increased at the first day of each subsequent calendar year as follows:

1. before 31 December 2029 the age of the women shall be increased by 2 months for each calendar year, and from 1 January 2030 - by 3 months for each calendar year up to the age of 62;

2. before 31 December 2017 the age of the men shall be increased by 2 months for each calendar year, and from 1 January 2018 - by 3 months for each calendar year up to the age of 62.

(2) The persons referred to in Para 1 shall be paid a temporary pension for early retirement from the Teachers’ Pension Fund in amount determined as set out in Art. 70 and reduced with 0,1 per cent for

each month short of the age required for that person to become entitled to a pension under Art. 68, Para 1.

(3) (Suppl. – SG, 99/17, in force from 01.01.2018) The teachers entitled to a pension under Para 1 and having retired under Art. 68, Para 1 and 2 shall be paid pensionable service and age pension from the “Pensions” Fund and additionally 0,33 per cent of the pension for each month of making an insurance instalment to the fund after having acquired the right to a pension under Para 1. With producing data for additionally laid teacher’s insurance length of service after granting the pension under Art. 68, Para. 1 and 2, to which shall be paid additionally from the Teachers’ Pension Fund, the number of the months from which the additional has been defined, shall be increased by the number of months after the retirements, for which there are insurance contributions in the same fund.

(4) To teachers having the teachers’ pensionable service required by Para 1 and having retired after the age referred to in Art. 68, Para 1, shall be paid a full pension from the Teachers’ pension fund until the age referred to in Art. 68, Para 3. After the age of Art. 68, Para 3, the pension shall be paid from the account of the “Pensions” Fund.

(5) The persons qualifying as teachers and the recognition of the pensionable service as teachers’ pensionable service in the sense of the present Act shall be determined in the ordinance referred to in Art. 106.

#### **Acquiring the right to a pension by judges, prosecutors and investigators**

Art. 69d. (new - SG 77/18, in force from 01.01.2019) (1) Judges, prosecutors and investigators who, at 31 December 2018, have at least 35 years of legal experience of which at least two thirds of the length of pensionable service in the bodies of the judiciary may apply for retirement until 31 December 2020 inclusive, regardless of their age.

(2) If the persons under para. 1 terminate their employment contract by the order of art. 165, para. 1, item 2 of the Judiciary System Act receive the full amount of their due pension for length of service and age as well as the compensation under Art. 225, para. 1 of the Judiciary System Act.

#### **Extent of the pension**

Art 70. (Amend. – SG, 99/17, in force from 01.01.2018) (1) (Amend. - SG 102/18, in force from 01.01.2019) The extent of the pension for pensionable service and age shall be determined as the income, from which the pension is calculated, is multiplied by a percentage of 1,2 for each year of pensionable service and the corresponding proportional part of that percentage for the months of pensionable service.

(2) For the persons, who have acquired the right to pension under Art. 68, Para. 1 and 2 and continue to work after the date of acquiring the right, without having granted a personal pension, the value of the percent for every year insurance length of service after this date shall be 3, and from 1 January 2012 – 4 and the relevant proportional part of these percentage for the months insurance service. The percent for every year service after this date of acquiring the right under Art. 68, Para. 1 and 2 shall be defined for real calendar insurance service, without reforming, acquired after 31 December 2006.

(3) The income, from which the pension is calculated shall be defined, where the average monthly insurance income for the country for 12 calendar months before the month of granting the pension is multiplied under the individual coefficient of the person.

(4) For the pension, granted before 1 January 2019, the individual coefficient shall be calculated from the insurance income of the person for a period of 3 successive year of the last 15 years insurance service by 1 January 1997 upon choice of the person and from the insurance income for the period after this date by the date of granting the pension. In the cases, where the insurance income of the person by 1 January 1997 is for a period, shorter than 3 years, the individual coefficient shall be calculated from this income. While defining the individual coefficient of the self-insured person, the income shall be taken in consideration, on which the insurance contributions have been paid.

(5) For calculation of the individual coefficient under Para. 4, the following shall be determined:

1. the ratio between the average monthly insurance income of the person for the period by 31 December 1996 including the average monthly work salary for the country for the same period, announced by the National statistical institute;

2. the ratio between the average monthly insurance income of the person for the period after 31 December 1996 and the average monthly insurance income for the country for the same period.

(6) The individual coefficient under Para. 4 shall be calculated where every of the ratio of para 5, shall be multiplied by the number of the months, for which it is established and the sum of the obtained shall be divided by the total number of months, included in both periods. Where the persons have no insurance income after 31 December 1996, the individual coefficient shall be equal to the ratio under Para. 5, p. 1, and where their insurance income is wholly after this date, the individual coefficient shall be equal to the ratio under Para. 5, p. 2.

(7) The ratio under Para. 5, p. 2 shall not exceed the ration between the maximum insurance income, defined by the Budget Act of the state public insurance and the average monthly insurance income for the country for the same period.

(8) (Amend. - SG 102/18, in force from 01.01.2019) For the pension, granted with initial date after 31 December 2018, the individual coefficient shall be calculated from the insurance income of the persons for the periods after 31 December 1999 to the date of granting the pension, but for a period of not less than 36 months. Where the insurable earnings of the person after 31 December 1999 is for a period of less than 36 months, his last insured income before 1 January 2000 shall be taken into account in an order determined by the ordinance under Art. 106. Where the person has no insurance income before 1 January 2000 or his income before that date is for a period less than that required to complete up to 36 months, the individual coefficient shall be calculated from the available income regardless of the length of the period, to which it relates. Where the person has no insurance income after 31 December 1999, the individual coefficient shall be calculated from his last insured income for 36 months up to that date or from his available income, when the income is for a shorter period.

(9) (Amend. and suppl. - SG 102/18, in force from 01.01.2019) The individual coefficient under Para. 8 shall be calculated, where the sum of the monthly ratios between the insurance income of the person for the month and the average insurance income for the country for the same month shall be divided to the sum of the ratios between the number of the working days, to which the insurance income of the person refers for the relevant month and the number of the working days during the month – for all the months participating in the calculation of the individual coefficient. The worked-out hours by the person shall be calculated proportionally to the legally established work time. The individual coefficient may not exceed the arithmetic mean of the monthly ratios between the maximum monthly amount of the insurable income determined by the law of the public social security budget for the respective year, and the average monthly insurable income for the country - for the months after 31 December 1999 taken in the calculation of the individual coefficient.

(10) The insurance income, from which the individual coefficient is calculated of a person, born after 31 December 1959 shall be decreased as follows:

1. with the calculation of the individual coefficient under Para. 4, the insurance income for the months, during which the person has been insured in a universal pension fund, shall be decreased by the income, defined on the basis of a coefficient, representing average ratio for these months between the amounts of the insurance contributions for a universal pension fund and for Pensions Fund for third category labor, for the persons, born before 1 January 1960 in a procedure, defined by a Council of Ministers act;

2. (amend. - SG 102/18, in force from 01.01.2019) with calculation of the individual coefficient under Para. 8 the insurance income for every month, during which the person has been insured in a universal pension fund, shall be decreased by the income, defined on the basis of the ratio for the relevant month between the amount of the insurance contribution for the universal pension fund and the amount of the contribution for Pensions Fund, for third category labor for the persons, born before 1



January 1960.

(11) The insurance income, from which the individual coefficient is calculated of a person, born after 31 December 1959 shall not be decreased, where on the date of order for granting pension the person is with a changed insurance under Art. 4b. Where on the date of the order for granting the pension, the person has resumed his insurance in a universal pension fund under Art. 124a, the insurance income shall not be decreased for the months, during which the person has not been insured in a universal pension fund and the accumulated funds from his individual account have been transferred to the State Fund for guaranteeing the sustainability of the state pension system. The insurance income of the person shall not be decreased after the transfer of his funds under Art. 129, Para. 15 to Pensions Fund, or in the Pensions for the Persons under Art. 69 Fund.

(12) The minimum amount of the pension for insurance service and age under Art. 68, Para. 1 shall be defined by the Budget of the State Public Insurance Act.

(13) The amount of the pension for insurance service and age under Art. 68, Para. 3 shall not be smaller than 85% of the minimum amount under Para. 12.

(14) The amount of the pension under Art. 68a shall be decreased by 0.4% for each insufficient for the person month by reaching his age under Art. 68, Para. 1.

(15) The amount of the pension for insurance service and age under Art. 68a, 69, 69a, 69b and 69c shall not be smaller than the minimum amount under Para. 12.

(16) (Suppl. - SG 102/18, in force from 01.01.2019) While defining a pension under international agreement to which the Republic of Bulgaria is a party, or of European regulations on the coordination of social security systems, the insurance income for the insurance service, acquired under the Bulgarian legislation shall be taken in consideration.

(17) (Amend. - SG 102/18, in force from 01.01.2019) The persons may request re-calculation of the pension of the insurance income for another 3-year period before 1 January 1997 within 12-month term after the entry into force of the injunction, with which the amount is determined by the order of this Code.

(18) (Amend. - SG 102/18, in force from 01.01.2019) In the cases of amendment, recalculation, resumption or reimbursement of pensions, the individual coefficient shall be calculated according to the statutory provisions as per which it is determined.

### **Income from which the individual coefficient is calculated (Title amend. - SG 102/18, in force from 01.01.2019)**

Art. 70a. (new – SG 1/02) (1) (suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015; amend. - SG 54/15, in force from 17.07.2015, suppl. - SG 102/18, in force from 01.01.2019) The average monthly insurable income, respectively the insurable income for the month, shall be determined from the remuneration or the insurable income, for which have been paid or are due insurance payments for the persons of art. 4, para 1 and para 3, items 5 and 6 and Para 10, and for the self-insuring persons and for the persons as per Art. 4a, para 1 - from the income for which they have paid insurance payments.

(2) (Suppl. - SG 102/18, in force from 01.01.2019) At determining the average monthly insurable income, respectively the month's insurable income, it shall not be taken into account the income for the time:

1. at conscript or alternative military service;
2. of leave for bringing up of a child, during which have been received benefits;
3. of the recognised pensionable service of the non working mothers;
4. (amend. – SG 100/10, in force from 01.01.2011) of training of the persons, who have graduated from a university or a college or of periods which are not long enough for entitlement to a pension under Art. 68, para 1, for which the persons have paid insurance instalments entirely for their

own account;

5. (amend. - SG 17/18) after January 1, 1996, during which a parent (adoptive parent) of a child with permanent disability has taken permanent care for it till 16 years of age, due to which he has not worked with labour or official legal relation and has not been insured;

6. (amend. – SG 41/09, in force from 02.06.2009, amend. - SG 17/18, amend. - SG 102/18, in force from 01.01.2019) from January 1, 2001, during which a parent (adoptive parent) or husband (wife) of a person with a disability, to whom has been provided assistance, and the time of 15 August 2015 during which one of the parents of the mother or father of the person with a disability has taken care of him, due to which they have not been insured and have not received pension, and after 1 January 2018 - a personal pension;

7. during which the persons have received unemployment benefit at releasing of pension with starting date after December 31, 1999;

8. (new – SG 100/10, in force from 01.01.2011) for the time of unpaid leave, which is recognised as pensionable service, or for lawful strike;

9. (new – SG 100/10, in force from 01.01.2011; amend. – SG 58/12, in force from 01.08.2012; amend. – SG 99/12, in force from 01.01.2013) during which the persons have insured themselves on the grounds of Art. 4, paras 5, 7 and 9.

(3) When in the period, from which is determined the individual coefficient, is included time for legally established leave or strike, into account shall be taken:

1. the time for paid leave, paid by the employer – the remuneration, received for this leave, for which insurance payments have been made;

2. (amend. – SG 1/14, in force from 01.01.2014, amend. - SG 30/18, in force from 01.07.2018) the time of leave due to temporary inability to work, pregnancy and childbirth or adoption of a child up to 5 years of age, during which cash benefit has been received from the public insurance – the income, from which the benefit has been calculated;

3. (amend. – SG 99/09, in force from 01.01.2010; revoked – SG 100/10, in force from 01.01.2011)

(4) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 107/14, in force from 01.01.2015) At determining the insurable income for the period until 31 December 2006 of the persons of art. 4, para 1 calculated and unpaid remuneration shall not be included.

(5) (New - SG 102/18, in force from 01.01.2019) In determining a pension related to the application of an international treaty, to which the Republic of Bulgaria is a party, or of the European coordination regulations of the social security systems, when under Bulgarian legislation taken into account is only the pensionable service which is not included in determining the insurable income under Para. 2, for the calculation of the individual coefficient under Art. 70 shall be taken into account the minimum monthly salary established for the country for the respective period.

## **Section II. Pensions for disability**

### **Right to pension**

Art. 71. (amend. – SG 100/10, in force from 01.01. 2011) The persons shall be entitled to a pension for disability in those cases where they have lost their ability to work, in whole or in part, permanently or for an extended period of time.

### **Determining the pension for disability**

Art. 72. (amend. – SG 41/09, in force from 02.06.2009) Pension for disability shall be

determined for persons with 50 and more than 50 percent of permanently reduced ability to work/ type and degree of inability.

### **Initial date and term of the pension**

Art. 73. (1) (suppl., SG 64/00) The right to pension for disability shall occur from the date of disability and for the blind by birth and for those struck with blindness before assuming work - from the date of the application under art. 94.

(2) The pension for disability shall be given for the term of disability.

(3) (amend. SG 1/02) The pensions for disability of the persons turned the age of art. 68 shall be given for life.

### **Right to pension for disability due to a general disease**

Art. 74. (suppl., SG 64/00) (1) (prev. art. 74 – SG 1/02) The insured persons shall acquire right to pension for disability due to a general disease if they have lost their ability to work and have pensionable service , acquired till the date of disability and for the blind by birth and for those struck with blindness before assuming work - from the date of the application under art. 94 as follows:

1. up to 20 years of age and to the born blind and to those turned blind before starting to work - regardless of the duration of the pensionable service ;

2. up to 25 years of age - one year;

3. up to 30 years of age - 3 years;

4. (amend., SG 64/00) over 30 years of age - 5 years;

5. (revoked, SG 64/00).

(2) (new – SG 107/14, in force from 01.01.2015) One third of the pensionable service under para 1, items 2, 3 and 4 must be actual one.

(3) (new – SG 1/02; prev. text of para 2, suppl. – SG 107/14, in force from 01.01.2015, amend. - SG 17/18) The persons, disabled at birth and the persons with sustained permanent disability shall, till starting to work, acquire right to pension for disability due to general disease with one year actual pensionable service.

(4) (new – SG 112/2004; suppl. – SG 109/08, in force from 01.01.2009; prev. text of para 3 – SG 107/14, in force from 01.01.2015) Pension for disability due to a general disease shall not be granted, renewed or reimbursed to the persons to whom has been granted a personal pension for pensionable service and age.

### **Extent of the pension for disability due to a general disease**

Art. 75. (1) (amend., SG 64/00; amend. - SG 104/05, in force from 27.12.2005; amend. – SG 23/09, in force from 01.04.2009; suppl. - SG 61/15, in force from 01.01.2016, amend. - SG 102/18, in force from 01.01.2019) The extent of the pension for disability due to a general disease shall be determined multiplying with 1,2 percent for each year of pensionable service and relevant to the proportional part of the percentage for the months of pensionable service.

(2) (amend. - SG 104/05, in force from 27.12.2005; suppl. – SG 100/10, in force from 01.01.2011; suppl. – SG 107/14, in force from 01.01.2015) When by the date of disability the insured person is with age lower than the age of art. 68, para 1, however not earlier than the age of 16, than the difference between his age and the age of art. 68, para 1 shall be recognised as pensionable service. When the pension is determined the recognised period and the relevant proportional part of the percentage for the months of pensionable service shall be multiplied by a coefficient as follows:

1. (amend. – SG 41/09, in force from 02.06.2009) for persons with permanently reduced ability

to work/ type and degree of inability of over 90 percent - 0.9;

2. (amend. – SG 41/09, in force from 02.06.2009) for persons with permanently reduced ability to work/type and degree of inability from 71 to 90 percent - 0.7;

3. (amend. SG 1/02; amend. – SG 41/09, in force from 02.06.2009) for persons with permanently reduced ability to work/ type and degree of inability from 50 to 70.99 percent - 0.5.

(3) (revoked - SG 64/00)

(4) The extent of the pension for disability due to a general disease cannot be less than:

1. (amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/type and degree of inability over 90 percent - 115 percent of the minimum extent under art. 70, para 12;

2. (amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/type and degree of inability from 71 to 90 percent - 105 of the minimum extent under art. 70, para 12;

3. (amend. SG 1/02; amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/ type and degree of inability from 50 to 70.99 percent - 85 percent of the minimum extent under art. 70, para 12.

(5) (new, SG 67/03) To persons under art. 74, para 1, item 1, having an insured service up to one year, the pensions shall be determined in the minimal size of para 4. After one year of insured service the pensions shall be determined by the order of art. 75 - 77.

#### **Income for calculation of the extent of the pension for disability due to a general disease**

Art. 76. (amend., SG 67/03; in force from January 1, 2004, amend. – SG, 99/17, in force from 01.01.2018) The income from which the extent of the pension for disability due to a general disease is calculated shall be determined multiplying the average insured income for the country, according to art. 70, para 3, by the individual coefficient of the person.

#### **Individual coefficient**

Art. 77. (suppl., SG 64/00; amend. SG 1/02; amend. – SG 100/10, in force from 01.01. 2011; amend. - SG 98/15, in force from 15.08.2015, amend. – SG, 99/17, in force from 01.01.2018) For defining the amount of the pensions for disability because of general illness, granted with initial date before 1 January 2019, the individual coefficient shall be calculated under Art. 70, Para. 1 4 – 7, Apra. 10, p. 1 and Para. 11, and for the pensions, granted with initial date after 31 December 2018 – under Art. 70, Para. 8, 9, Para. 10. P. 2 and Para. 11.

#### **Pension for disability due to a labour accident and professional disease**

Art. 78. The insured persons who have lost 50 or more than 50 percent of their ability to work due to a labour accident or professional disease, shall have right to a pension for disability due to a labour accident or professional disease regardless of the duration of their pensionable service.

#### **Extent of the pension for disability due to labour accident and professional disease**

Art. 79. (1) (amend., SG 67/03; in force from January 1, 2004; amend. – SG 60/11, in force from 05.08.2011; amend. - SG 98/15, in force from 01.01.2016, amend. – SG, 99/17, in force from

01.01.2018) The extent of the pension for disability due to labour accident and professional disease shall be determined multiplying the average monthly insurable income for the country, according to art. 70, para 3, by the individual coefficient, calculated by the order of art. 70, para 4 – 7, Para. 10. P. 1 and Para. 11 – for the pensions, granted with initial date before 1 January 2019, and for the persons, granted with initial date after 31 December 2018 – under Art. 70, Para. 8, 9, Para. 10. P. 2 and Para. 11 and under the following coefficients:

1. (amend. – SG 41/09, in force from 02.06.2009, amend. - SG 102/18, in force from 01.01.2019) for persons with permanently reduced ability to work/ type and degree of inability over 90 percent - 0.4494;

2. (amend. – SG 41/09, in force from 02.06.2009, amend. - SG 102/18, in force from 01.01.2019) for persons with permanently reduced ability to work/ type and degree of inability from 71 to 91 percent - 0.3932;

3. (amend. SG 1/02; amend. – SG 41/09, in force from 01.07.2009, amend. - SG 102/18, in force from 01.01.2019) for persons with permanently reduced ability to work/ type and degree of inability from 50 to 70.99 percent - 0.3371.

(2) (new - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018, revoked - SG 102/18, in force from 01.01.2019)

(3) (prev. text of Para 02 - SG 61/15, in force from 01.01.2016) The extent of the pension for disability due to labour accident or professional disease shall not be less than:

1. (amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/ type and degree of inability over 90 percent - 125 percent of the minimum extent under art. 70, para 12;

2. (amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/ type and degree of inability from 71 to 90 percent – 115 percent of the minimum extent under art. 70, para 12;

3. (amend. SG 1/02; amend. - SG 57/06, in force from 01.07.2006; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) for persons with permanently reduced ability to work/ type and degree of inability from 50 to 70.99 - the minimum extent under art. 70, para 12.

(4) (new - SG 64/00; prev. text of Para 03 - SG 61/15, in force from 01.01.2016) The size of the pension for disability due to labour accident and professional disease cannot be less than the size calculated as pension for disability due to a general disease.

### **Section III. Inheritance pensions**

#### **Right to inheritance pension**

Art. 80. (1) (amend. – SG 89/12, in force from 01.01.2013; amend. – SG 99/12, in force from 01.01.2013) The personal pensions shall be possible to be transferred into inheritance pensions except the pensions for civil disability, the social pensions for age, the social disability pensions and the personal pensions.

(2) (amend. SG 1/02) Right to inheritance pension shall have the children, the survived spouse and the parents.

(3) The refusal from inheritance shall not deprive the heirs from right to inheritance pension.

(4) The receiving of inheritance pension shall not be considered as accepting of inheritance.

### **Determining of the inheritance pension**

Art. 81. (1) The inheritance pension shall be determined as a percentage of the due personal pension of the deceased insured person as follows:

1. at one heir - 50 percent;
2. at two heirs - 75 percent;
3. at three and more heirs - 100 percent.

(2) (suppl., SG 64/00 - in force from January 1, 2001; amend. - SG 57/06, in force from 01.07.2006; amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) The inheritance pension shall be given to all persons who have right to this pension and it shall be distributed among them. The minimal size of the inheritance pension cannot be less than 75 percent of the minimum extent under art. 70, para 12.

(3) At death of both the parents (adopters) the children shall have right to inheritance pension determined from the sum of the pensions of the deceased.

### **Conditions for giving and receiving inheritance pension**

Art. 82. (1) (amend. – SG 41/07, in force from 01.01.2008; amend. – SG 106/13, in force from 01.01.2014; suppl. – SG 107/14, in force from 01.01.2015, suppl. – SG 98/16, in force from 01.01.2017) The children shall have right to inheritance pension till turning 18 years of age and after turning it - if they are studying - for the term of study, but not later than turning 26 years of age as well as above this age if they are studying and have become disabled till 18, respectively 26 years of age. Children who are considered students shall be defined by the ordinance under Art. 106. Children who acquire length of service after graduation shall not be considered students.

(2) (amend., SG 67/03; in force from January 1, 2003; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013) The survived person shall have right to inheritance pension 5 years earlier than his age of art. 68, para 1 or before this age if he is unable to work.

(3) (amend., SG 67/03; in force from January 1, 2003; amend. – SG 100/10, in force from 01.01.2011, suppl. – SG 98/16, in force from 01.01.2017) The parents shall have right to inheritance pension from their children if they have turned the age of art. 68, para 1 and do not get a personal pension.

(4) (suppl. - SG 53/18, suppl. - SG 102/18, in force from 01.01.2019) The parents of the persons deceased during conscript military service and of the servicemen who died in the performance of military service in operations and missions outside the country shall have right to inheritance pension for military disability, regardless of their age.

### **Kinds of inheritance pensions**

Art. 83. (1) (amend. - SG 17/18) At death of the insured person to the heirs shall be given a pension in compliance with the kind of the personal pension for general disease or due to labour accident or professional disease that the deceased would have received as disabled person with lost ability to work more than 90 percent.

(2) When the deceased has acquired right to pension for pensionable service and age to the heirs shall be given inheritance pension calculated from the due pension for pensionable service and age if this is more favourable for them.

(3) (amend. – SG 41/09, in force from 02.06.2009) At death of a pensioner who has received personal pension for disability due to a general disease or labour accident or professional disease, the extent of the inheritance pension shall be determined by the due to him for permanently reduced

disability/ type and degree of inability more than 90 percent.

(4) (amend. – SG 41/09, in force from 02.06.2009, suppl. - SG 53/18) At death of a military serviceman at conscript military service or in the performance of military service in operations and missions outside the country to his heirs shall be given pension as basis being taken the extent of Art. 86, para 1, equal to the due to him pension for military disability with permanently reduced ability to work over 90 percent.

(5) (new - SG 64/00; amend. – SG 41/09, in force from 02.06.2009) For death of a pensioner who has received pension for military disability the size of the pension of the inheritors shall be determined by the due pension for military disability with permanently reduced capacity to work/type and degree of inability over 90 percent, as determined by art. 86.

(6) (new - SG 112/2004) In case of death of a pensioner who has been receiving a pension for disability due to a general disease or personal pension for pensionable service and age, the inheritance pension shall be released in the percentage of Art. 81, according to the type of the received pension.

#### **Addition to the pension of deceased spouse**

Art. 84. (amend. – SG 112/2004) (1) (amend. – SG 99/09, in force from 01.01.2010; amend. – SG 49/10, in force from 01.07.2010) A pensioner shall be entitled to an additional benefit of the pension or the sum of pensions of his/her deceased spouse in the following amounts:

1. (amend. – SG 60/11, in force from 05.08.2011) till 31 August 2011 - 20 per cent;
  2. (amend. – SG 60/11, in force from 05.08.2011; amend. – SG 99/12, in force from 01.01.2013) from 1 September 2011- 26,5 per cent;
  3. (revoked – SG 99/12, in force from 01.01.2013)
  4. (revoked – SG 99/12, in force from 01.01.2013)
  5. (revoked – SG 99/12, in force from 01.01.2013)
- (2) If the diseased spouse had not been receiving pension, the addition per Para 1 shall be determined by the pension or the sum of pensions the deceased spouse had the right to under the Art. 83.
- (3) The addition cannot be received together with an inheritance pension from the same grantor.

#### **Additional benefits to persons who have reached 75 years of age**

Art. 84a. (new – SG 99/09, in force from 01.01.2010; revoked. – SG 100/10, in force from 01.01.2011)

### **Section IV.**

#### **Pensions not connected with labour activity**

##### **Pensions for military disability**

Art. 85. (1) Right to pension for military disability shall have the persons who have lost their ability to work because they have become ill or have been damaged during or on occasion of:

1. the conscript military service;
2. the service in the reserve.

(2) (suppl. - SG 53/18) Right to pension for military disability shall have the persons killed in military service in operations or missions outside the territory of the country and also the persons damaged at rendering co-operation to the military forces.

- (3) Damaged in the sense of para 1 and 2 shall be considered also the perished and the missing.

### **Extent of the pension for military disability**

Art. 86. (1) (amend. – SG 41/09, in force from 02.06.2009) The extent of the pension for military disability shall be determined as percentage of the social pension for age according to the following table:

	Permanent loss of capability to work (table amend. SG 1/02)		
	Over 90 percent	71-90 percent	50-70, 99 percent
Privates and sergeants	150 percent	140 percent	115 percent
officers	160 percent	150 percent	120 percent

(2) When the persons of art. 85 have been insured for all insured social risks or only for labour accident or professional disease before starting the conscript military service or to service in the reserve the extent of the pension for military disability shall be determined as the pension for labour accident or professional illness if this is more favourable for them.

### **Pension for civil disability**

Art. 87. Right to pension for civil disability shall have the persons who have lost their ability to work because they have become ill or have been damaged:

1. in fulfilment of their civil duty;
2. incidentally by the bodies of power at the fulfilment of official tasks of these bodies.

### **Extent of the pension for civil disability**

Art. 88. (1) The extent of the pensions for civil disability shall be determined as percentage of the social pension for age as follows:

1. (amend. – SG 41/09, in force from 02.06.2009) for persons with permanently reduced ability to work/type and degree of inability over 90 percent - 150 percent;
2. (amend. – SG 41/09, in force from 02.06.2009) for persons with permanently reduced ability to work/type and degree of inability from 71 to 90 percent - 140 percent;
3. (amend. SG 1/02; (amend. – SG 41/09, in force from 02.06.2009)) for persons with permanently reduced ability to work from 50 to 70.99 percent - 115 percent.

(2) For the persons who have been insured for all insured social risks or only for labour accident or professional disease before starting the conscript military service or to service in the reserve the extent of the pension for military disability shall be determined as the pension for labour accident or professional illness if this is more favourable for them.

### **Social pension for age**

Art. 89. (revoked– SG 100/10, in force from 01.01.2013; amend. – SG 60/11, in force from 05.08.2011)

### **Social pension for age**

Art. 89a. (new – SG 99/12, in force from 01.01.2013) (1) (Amend. – SG, 99/17, in force from 01.01.2018, suppl. - SG 102/18, in force from 01.01.2019) A right to a social pension shall have the persons having 70 years of age, who have not received another pension, including from another country,



where the annual income per member of the family at the date of completion of the age is lower than the sum of the guaranteed minimum income established for the country during the last 12 months. Where the request is made after completion of 70 years of age and after expiration of the 2-month period under Art. 94, the income per member of the family shall be determined at the date of the request.

(2) The amount of the social pension for age and the conditions for its receipt shall be determined by the Council of Ministers at the request of the Ministry of Labour and Social Policy and the National Insurance Institute.

### **Social pension for disability**

Art. 90. (revoked– SG 100/10, in force from 01.01.2013; amend. – SG 60/11, in force from 05.08.2011)

### **Social Disability Pension**

Art. 90a. (New – SG 99/12, in force from 01.01.2013) (1) (Suppl. - SG 102/18, in force from 01.01.2019) A right to a social disability pension shall have the persons who have completed 16 years of age with permanently reduced working ability/type and level of disability exceeding 71 percent, who have not received another pension, including from another country.

(2) The amount of the social disability pension of the persons with permanently reduced working ability/type and level of disability exceeding 90 percent shall be 120 percent, and the persons with permanently reduced working ability/type and level of disability between 71 and 90 percent – 110 percent of the social pension for age.

### **Pension for special merits**

Art. 91. (revoked – SG 89/12, in force from 01.01.2013)

### **Personal pensions**

Art. 92. The Council of Ministers shall under conditions and order determined by it in exclusive cases shall be able to grant pensions to persons with regard to whom some of the requirements of this code are not met.

### **Resources for payment of the pensions no connected with labour activity**

Art. 93. (amend. – SG 15/13, in force from 01.01.2014) The resources for payment of the pensions no connected with labour activity shall be for the account of the state budget.

## **Section V. General rules for the pensions**

### **Date of Granting Pension**

Art. 94. (amend. SG 1/02, amend. – SG 112/2004; amend. – SG 100/11, in force from 01.01.2012, amend. and suppl. – SG 98/16, in force from 01.01.2017) (1) (Amend. – SG, 99/17, in force from 01.01.2018) The pensions and supplements thereto shall be granted from the date of acquisition of the right, if the application with all the papers required has been filed in 2-month term from the said date. If the documents have been submitted after the elapse of the 2-month term after acquisition of the

right, pensions and the supplements to them shall be granted as of the date of submission thereof.

(2) (new – SG 100/11, in force from 01.01.2012; suppl. – SG 99/12, in force from 01.01.2013; revoked – SG 107/14, in force from 01.01.2015)

(3) (new – SG 112/2004; amend. - SG 104/05, in force from 27.12.2005; prev. text of para 2 – SG 100/11, in force from 01.01.2012, suppl. – SG, 99/17, in force from 01.01.2018, amend. - SG 102/18, in force from 01.01.2019) Beyond the cases under Para. 1, pension for disability and/or the supplement for someone else's assistance shall be released from the date of submission by the person of a declaration to the Territorial Expert Medical Commission (TEMC), but not earlier than the date of disability, respectively - from the date of determination of the need for assistance, if needed documents for pensioning have been submitted to the territory unit of the National Social Security Institute within one month from expiration of the appeal deadline of the expert decision of TELK or the National Expert Medical Commission (NEMC) in respect of the entitled person.

(4) (New – SG, 99/17, in force from 01.01.2018) Inheritance pension or supplement under Art. 84 shall be granted from the date, following the date of termination of the pension of the diseased, where the application is submitted within 2-month term from the date of the death of the diseased.

(5) (new - SG 102/18, in force from 01.01.2019) The pension under Art. 68, Para. 4 shall be granted from the date of reaching the age under Art. 68, Para. 3, but not earlier than the date of submission of the application.

### **Suspension of the pension**

Art. 95. (1) (Prev. text of Art. 95 – SG 99/09, in force from 01.01.2010) The pension shall be suspended:

1. at request by the person;
2. (Repealed – SG, 99/17, in force from 01.01.2018)
3. when the pensioner has not received his pension for more than 6 months;
4. (Suppl. – SG, 99/17, in force from 01.01.2018) when its payment is not due on the grounds of art. 101 and is the more unfavorable in the amount;
5. (new - SG 61/15, in force from 01.01.2016) when the pensioner fails to comply with the instructions of the bodies of the expertise of the ability to work in respect of the contraindicated labour conditions.

(2) (new – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015) The official in charge of pension insurance management at the territorial directorate of the National Social Security Institute may issue an order for suspension of the pension if there is any evidence of circumstances which may lead to its termination according to Art. 96, para 1. The order shall be issued within 14 days from providing the evidence. If it turns out that there are no grounds for termination of the pension, it shall be resumed from the date of suspension.

### **Termination of the pension**

Art. 96. (1) The pension shall be terminated when:

1. the pensioner has deceased;
2. (suppl. – SG 98/16, in force from 01.01.2017) the child reaches the age until which inheritance or individual pension could be given to him, or is adopted;
3. the survived spouse who is receiving inheritance pension marries;
4. the grounds for receiving it fall away;
5. (new – SG, 99/17, in force from 01.01.2018) where the pensioner fails to appear for re-certification by the bodies of the expertise of the workability, after he has been summoned officially.

(2) (Amend. - SG 102/18, in force from 01.01.2019) In the cases of item 1 of para 1, the pension shall be terminated from the end of the month during which the pensioner has deceased, and of items 2 - 5 - from the date on which has occurred the ground for termination.

(3) (New - SG 102/18, in force from 01.01.2019) The pension under Art. 68, Para. 4 shall be terminated as of the date of its granting, when granting a pension for service and age on other grounds under this Code.

### **Resuming and restoration of the pension**

Art. 97. (1) The suspended pension shall be resumed and the terminated one shall be restored with a written application by the pensioner when the ground for suspension or termination fall away.

(2) The pension shall be resumed or restored from the day of falling away the ground for suspension or termination - if the application is submitted in 3 years term after this date, or from submitting it - when the term is missed.

(3) (suppl. – SG 99/09, in force from 01.01.2010, amend. – SG, 99/17, in force from 01.01.2018) The pension suspended pursuant to art. 96, para 1, item 5 shall be resumed from the day of its termination, if it is found that the pensioner has not appeared for re-certification due to good reasons.

### **Procedure for granting and amending of pensions**

Art. 98. (1) (amend., SG 64/00; amend. – SG 99/09, in force from 01.01.2010) The pensions and the additions to them shall be given, changed, updated, suspended, resumed, terminated and restored with an order, issued by:

1. the official to whom has been assigned the management of the pension insurance at the territorial division of the National Social Security Institute or other officials appointed by the head of the territorial division of the National Social Security Institute;

2. (suppl. – SG 100/10, in force from 01.01.2011, suppl. - SG 102/18, in force from 01.01.2019) the official at the National Social Security Institute assigned to whom is the management of the activity on granting and payment of the pensions according to international agreements and European regulations on the coordination of social security systems as regards to persons whose permanent address is abroad or other officials appointed by the manager of the National Social Security Institute.

(2) (amend. - SG 105/05, in force from 01.01.2006; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017, amend. and suppl. – SG, 99/17, in force from 01.01.2018, amend. - SG 102/18, in force from 01.01.2019) The officials under para 1 shall also issue orders for restoration of unreasonable paid sums for pensions. The due sums of the orders shall be collected via deductions from the pension as per Art. 114a, Para. 3 or through the ways provided for in Art. 114, Para. 5.

(3) The obvious factual mistakes in the orders of para 1 and 2 shall be corrected by the body that has made them. The correction shall have effect from the day when the pension is given, changed, updated, suspended, resumed, terminated or restored.

(4) (new – SG 112/2004) The decisions per Para 1 regarding the pensions for disability and the addition for other's help shall be issued on the base of a decision of a medical commission to the territory unit of the National Social Security Institute. The medical commission shall consist of a chairman and two members, who shall be appointed by the manager of the territory unit of the National Social Security Institute.

(5) (new - SG 112/2004; amend. – SG 41/09, in force from 02.06.2009; amend. – SG 59/10, in force from 01.01.2012; amend. – SG 107/14, in force from 01.01.2015) The decisions of the medical commission shall be issued in a 14-days term form the receipt from the regional card index of medical specialists' report on expert decisions designating 50 or more percent permanently reduced ability to work after consideration of the medical documentation certifying the current health status of the person, of the decisions of TELK and NELK for determination of the extend of the permanently reduced ability

to work/type and degree of inability, the causal relationship, date of disability, time period of disability and of outside help.

(6) (new – SG 112/04, in force from 01.01.2005; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 59/10, in force from 01.01.2012; amend. – SG 107/14, in force from 01.01.2015) In case the medical commission decides that the expert decisions of TELK and NELK are irregular, the chairman shall submit a complaint against the decisions of TELK and NELK to the bodies of the medical expertise within 14 days from the date of their receipt at the respective territorial unit of the National Social Security Institute. The complaint against decisions of TELK shall be submitted to NELK, and complaint against decisions of NELK – before the competent administrative court pursuant to the Administrative Procedure Code.

(7) (new – SG 112/2004; amend. – SG 41/09, in force from 02.06.2009; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 40/12) If the decision of TELK or NELK is appealed by the chairman of the medical commission or pursuant to the provisions of Art. 112 of the Health Act, a pension for disability in the amount of the social pension for age shall be granted, renewed and restored till the entry into force of the decision of NELK, respectively – of the court, regarding the appealed decision.

(8) (new – SG 41/09, in force from 02.06.2009; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015) After entering into force of the decision under par. 7, the pension shall be allocated in the actual amount as from the date of the acquisition of the right, respectively the date on which it is renewed or restored, provided that the person has been granted a percentage of permanently reduced inability to work 50 and more than 50 per cent, while social disability pension shall be determined in the amount of Art. 90a, para 2 at a fixed percentage of permanent disability more than 71 percent.

(9) (new – SG 99/09, in force from 01.01.2010) Additional benefits to pensions under para 7 shall not be paid pursuant to this Code and other legislation acts.

(10) (new – SG 99/09, in force from 01.01.2010) The pensions under para 7 may not be received together with other kind of pension.

### **Changing or revoking the order**

Art. 99. (1) (amend. – SG 100/10, in force from 01.01.2011, amend. – SG 98/16, in force from 01.01.2017) The order set out in Art. 98, which has entered into force, can be amended or revoked by the body that has issued it:

1. at the pensioner's request when he/she presents new evidence about
  - a) (amend. – SG, 99/17, in force from 01.01.2018) insurance service and/or insurance income earned before retirement, beyond the cases under Art. 70, para. 17;
  - b) civil state;
2. upon the initiative of the authority - when it is established that:
  - a) the pension is given on the basis of untrue or falsified document or document with untrue contents;
  - b) the disability, for which the pension is given, has been caused intentionally by the person or as a result of an intended crime committed by him;
  - c) the death of the grantor by whom the pension is received has been caused intentionally by the heir or is a result of an intended crime committed by him;
  - d) the pension has been given incorrectly or it has been incorrectly refused to be given;
  - e) the pension has been determined at an incorrect extent.

(2) In the cases of para 1, the order shall be changed or revoked:

1. for item 1 - from the date the evidence is presented;
2. (amend. – SG 98/16, in force from 01.01.2017) for items 2 - from the date the pension is

given or changed, and at incorrect refusal - from the date of art. 94.

(3) (new – SG 100/10, in force from 01.01.2011) In those cases where new pieces of evidence in relation to the pensionable service, insurable income, civil status, etc. are presented during the term for appealing the order, the latter shall be repealed or amended as of the date of granting, amendment or refusal of the pension.

### **Updating of pensions**

Art. 100. (1) (Amend., SG 41/01, amend. SG 112/2004; amend. - SG 104/05, in force from 27.12.2005; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 100/11, in force from 01.01.2012; amend. – SG 106/13, in force from 01.01.2014; Prev. text of Art. 100 – SG 107/14, in force from 01.01.2015) The pensions granted by December 31 of the preceding year shall be updated annually from July 1 by a decision of the supervisory council of the National Social Security Institute by a percentage equal to the sum of 50 percent of the increase of insurance income and 50 percent of the index of the consumers prices for the preceding calendar year.

(2) (new – SG 107/14, in force from 01.01.2015) In case the percentage under para. 1 is a negative number, pensions shall not be updated.

### **Receiving more than one pension**

Art. 101. (1) It shall not be possible to be received simultaneously the following pensions:

1. personal pension for pensionable service and age with inheritance pension for pensionable service and age;

2. personal or inheritance pension for pensionable service and age with personal or inheritance pension for disability due to general disease;

3. personal payment for disability due to a general disease with inheritance pension for disability due to general disease.

4. (new - SG 64, in force from August 1, 2000; amend. – SG 100/10, in force from 01.01.2013; amend. – SG 60/11, in force from 05.08.2011; amend. – SG 89/12, in force from 01.01.2013; revoked – SG 99/12, in force from 01.01.2013)

4a. (new – SG 99/12, in force from 01.01.2013; suppl. – SG 107/14, in force from 01.01.2015; suppl. - SG 98/15, in force from 01.01.2016) a social pension for old age, social disability pension and a personal pension with another type pension, including a pension granted in another country.

5. (new - SG 98/16, in force from 01.01.2017) inheritance pension for insurance service and age or inheritance disability pension due to general illness with an inheritance pension of the same kind;

(2) When the person has right to more than one personal pension for disability for different diseases, the biggest extent shall be determined.

(3) (suppl., SG 64/00 - in force from August 1, 2000; amend. – SG 100/10, in force from 01.01.2013; amend. – SG 60/11, in force from 05.08.2011; revoked – SG 99/12, in force from 01.01.2013)

(3a) (new – SG 99/12, in force from 01.01.2013; amend. – SG 107/14, in force from 01.01.2015) In cases of right to more than one pension shall be received by choice one of the pensions in full extent and 50 percent of the others.

(4) The military disabled at turning the age of art. 68 shall receive the full extent of the two pensions determined for them - pension for military disability and pension for pensionable service and age.

(5) At giving inheritance pension to heirs of a military disabled who has received or has had right to both the pensions of para 4 in full extent, as base shall be taken the full extent of both the pensions.

(6) (new – SG 1/02) The parents cannot receive simultaneously personal and inheritance pension, except in the cases of para 7.

(7) (prev. (6) – SG 1/02, suppl. - SG 53/18) The parents of the persons deceased during conscript military service and of the servicemen who died in the performance of military service in operations and missions outside the country shall receive in full extent their personal pension and the pension given under art. 82, para 4.

### **Re-calculation of pensions**

Art. 102. (amend., SG 64/00) (1) (amend. SG 1/02, amend. – SG 98/16, in force from 01.01.2017, suppl. - SG 102/18, in force from 01.01.2019) The persons to whom has been given pension for pensionable service and age, for disability due to general disease and for disability due to labour accident or for professional disease may request, but no more than once in a calendar year, recalculation of the pension for acquired pensionable service after retirement or for acquired pensionable service and insurable income after retirement, if this is more favorable for them. The re-calculation shall be implemented by the order of art. 70, respectively art. 75 - 77 starting on the first day of the month following the month of submission of the application.

(2) (new - SG 104/05, in force from 27.12.2005, suppl. – SG, 99/17, in force from 01.01.2018) Upon re-calculation under Para 1 shall be taken in view the average monthly insurable income for the country for 12 calendar months before the month before the month of the first release of a pension, after which the received amount shall be up-dated, recalculated and indexed according to the normative provision, in force after the date of granting the pension.

(3) (prev. text of Para 2 - SG 104/05, in force from 27.12.2005, revoked – SG 98/16, in force from 01.01.2017; new - SG 102/18, in force from 01.01.2019) The person may file an application in a form approved by the Director of the National Social Security Institute, requesting his pension to be officially recalculated pursuant to Para. 1. The recalculation shall be carried out once a year in an order determined by the ordinance under Art. 106, on the basis of the available data under Art. 5, Para. 4, item 1, and for self-insured persons - on the basis of the paid insurance contributions for the periods after retirement, respectively - after the last recalculation of the pension.

(4) (new - SG 104/05, in force from 27.12.2005; amend. – SG 99/09, in force from 01.01.2010) For the pensions releases before the 1st of January 2000, upon re-calculation shall be taken in view the average monthly insurable income for the county for the year 2007.

(5) (new – SG 100/10, in force from 01.01.2011) Upon re-calculation of the pension the pensionable service after December the 31st 2010 shall not be transformed pursuant to Art. 104.

(6) (new - SG 61/15, in force from 01.01.2016, amend. – SG, 99/17, in force from 01.01.2018) Upon re-calculation of the pensions under Art. 68a the amount of their reduction under Art. 70, Para 14 shall not be changed.

### **Addition for somebody's help**

Art. 103. (amend. – SG 41/09, in force from 02.06.2009) The pensioners with permanently reduced ability to work/ type and degree of inability over 90 percent who permanently need help by somebody, shall receive addition to the pension determined for them in extent of 75 percent of the social pension for age.

### **Categories of labour**

Art. 104. (1) The Council of Ministers shall determine which labour to which category is referred according to the character and the specific conditions of the labour.

(2) (amend. SG 1/02; amend., SG 67/03) At retirement for pensionable service and age the pensionable service shall be transformed three years of first category or four years of second category being considered five years of third category.

(3) (amend., SG 64/00) For the workers, engineering and technical specialists and managers up to chief of sector including hired in underground pits, in the underground geological prospecting and hydro-technical sites, in tunnel and underground mining construction one year of first category pensionable service shall be considered as three years pensionable service of third category.

(4) The pensionable service of the persons of art. 69 shall be transformed three years of the actually served time being considered as five years pensionable service of third category.

(5) For the persons of art. 69 of the flying personnel, the crews of the submarine vessels and the divers one year actually served year shall be considered as three years pensionable service of third category.

(6) (amend. - SG 82/06) For the persons of art. 69 of the flying personnel of the engine driven propeller aircraft, the parachutists, those serving in the guarding groups at the border police regions and the border posts on the ships one year of actually served time shall be considered as two years pensionable service of third category.

(7) (amend. – SG 35/09, in force from 12.05.2009) As regards to persons referred to in Art. 69, participating in high-risk operations and missions outside the territory of the state, combat activities and in war time activities, one year of actually served time shall be considered as three years pensionable service of third category.

(8) (new – SG 35/09, in force from 12.05.2009) As regards to persons referred to in Art. 69, participating in low-risk operations and missions outside the territory of the state, one year of actually served time shall be considered as two years pensionable service of third category.

(9) (new – SG 60/11, in force from 05.08.2011) The pensionable service of the persons covered by Art. 69a shall be transformed four years of the pensionable service holding the position of "ballerina, ballet dancer or dancer" at cultural organizations shall be considered as 5 years of pensionable service of third category.

(10) (new – SG 99/12, in force from 01.01.2013, suppl. – SG 98/16, in force from 01.01.2017) The labour category and the activity under Art. 69 and 69a shall not be proved by witness testimony. To establish working conditions and those of the position taken, testimony of witnesses shall not be allowed when written evidence has not been not presented issued by the employer/insurer, with whom the work has been rendered, and during the length of work.

### **Prescription**

Art. 105. (1) The right to pension shall not be extinguished by prescription;

(2) (amend. – SG 109/08, in force from 01.01.2009) Claims on pension shall be redeemed upon expiry period of three years from 1 January of the year, following the year to which it refers.

### **By-law provisions**

Art. 106. The implementation of this chapter and the payment of pensions shall be provided with an act of the Council of Ministers.

## **Chapter seven. CONTROL**

### **Control bodies**

Art. 107. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006 ; prev. text of Art. 107 – SG 106/13, in force from 01.01.2014) The control of observing the statutory instruments regulating state public insurance in connection with the activity, assigned to the National Social Security Institute, shall be exercised by the control bodies of the National Social Security Institute.

(2) (new – SG 106/13, in force from 01.01.2014) Control bodies of the National Social Security Institute are the following:

1. social security inspectors in territorial units of the National Social Security Institute;
2. physicians - experts in examination of incapacity for work at the territorial units of the National Social Security Institute;
3. officials, who by order of the manager of the National Social Security Institute or the Head of the territorial unit are commissioned to carry out audits and inspections of the expenses made in state social security and of the observance of the relevant regulations on state social insurance in connection with the activities assigned to the National Social Security Institute.

### **Powers of the control bodies (Title amend. - SG 98/16, in force from 01.01.2017)**

#### **Rights of the control bodies**

Art. 108. (amend. - SG 98/16, in force from 01.01.2017) (1) The control bodies of the National Social Security Institute, in implementation of their official duties, shall:

1. carry out inspections and audits in connection with the activities assigned to the National Social Security Institute;
2. establish administrative violations of the legislation regarding the state social insurance and the provisions for the activities assigned to the National Social Security Institute;
3. issue mandatory instructions to comply with the provisions under the state social insurance and the activities assigned to the National Social Security Institute;
4. be able to require from the natural and legal persons and their divisions to declare their bank accounts in the country and abroad, and to provide documents related to their employment and economic activity;
5. be able to require that the bodies of the medical expertise and medical institutions provide documents in connection with the medical expertise of the temporary inability to work and data submission into the register under Art. 33, para. 5, item 12;
6. be entitled to access to the workplaces and facilities subject to control.

(2) Natural and legal persons shall be obliged to submit to the control bodies of the National Social Security Institute any documents, reports, statements, declarations, explanations and media requested by the Institute, related to the observance of insurance legislation in relation to the activities assigned to the National Social Security Institute, as well as to assist in the execution of their official duties.

(3) The manager of the National Social Security Institute shall issue an instruction on the procedure and ways to implement the control and audit activities by the control bodies of the National Social Security Institute.

(4) The control bodies of the National Social Security Institute must be insured against accidents at the expense of the budget of state social insurance.

(5) The manager of the National Social Security Institute shall assign revision within 14 days of receipt of the audit report to the President of the National Audit office under Art. 57, para. 1 of the Act On The Bulgarian National Audit Office to search for property or administrative -procedure liability.

(6) The bodies of the Ministry of Interior shall cooperate with the control bodies of the National Social Security Institute in the execution of their powers.



### **Notifying function of the control bodies of the Social Security Institute (New, SG 67/03)**

Art. 108a. (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006) When the control bodies of the National Social Security Institute establish creation of documents of untrue contents in connection to implemented insurance payments, they shall be obliged to notify the bodies of the prosecution.

### **Prohibition for other activities**

Art. 109. (1) The servants of the control bodies of the National Social Security Institute cannot do additional work connected with their official obligations, with employment or civil contract with another employer. They cannot implement activity connected with their official obligations also as sole entrepreneurs, partners in commercial and other companies, co-operations and other organisations.

(2) (amend. SG 1/02) The servants of the National Social Security Institute shall be obliged to preserve secret and not to use for other objectives except for the direct fulfilment of their obligations at the corresponding position all facts and circumstances about the insured persons and the insurers that have become known to them in connection with the fulfilment of their official obligations, including after the termination of their contract. These facts and circumstances can be conceded to a body of the judicial power or to another state body under conditions and by order, determined by the manager of the National Social Security Institute in compliance with the normative acts in effect.

### **Audit acts for deficit**

Art. 110. (1) (Amend. – SG, 99/17, in force from 01.01.2018) The control bodies of the National Social Security Institute shall compile audit acts for deficit to the natural, legal persons and/or insurers:

1. (amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 59/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012) for the damages caused by them to the state public insurance, insurance expenses made incorrectly, including such from improper verification of pensionable service or insurance income as well as biomedical expert opinion which has been repealed due to violation of statutory provisions in the issuance thereof;

2. (revoked – SG 105/05, in force from 01.01.2006);

3. (revoked – SG 1/02);

4. (revoked – SG 105/05, in force from 01.01.2006)

5. (new – SG 1/02, amend. - SG 105/05, in force from 01.01.2006; revoked – SG 105/06, in force from 01.01.2007)

(2) The responsible persons shall be able to make objections of the compiled acts for deficit in 7 days term after being received. The control bodies shall decide about the objection with a motivated conclusion.

(3) (amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 100/10, in force from 01.01.2011; suppl. - SG 98/15, in force from 01.01.2016) For collecting the sums of the audit acts for deficit the official to whom has been assigned the management of the control over the expenses of the state public insurance in the corresponding division of the National Social Security Institute or another official determined by the head of the division shall issue orders The orders shall be issued within 14 days term from the expiry of the time period fixed in para 2. The orders shall be subject to voluntary fulfilment in 14 days term after handing over.

(4) (amend. - SG 112/2004, amend. - SG 34/06, in force from 01.10.2006; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011, amend. – SG 98/16, in force from 01.01.2017) The orders, the statements of defalcation and the mandatory requirements shall be handed over personally against signature to the responsible persons or by post with advice of delivery. If

the person is not found at the address of commercial registration, permanent address or at the place of work, the handing shall be executed by fixing an announcement of the drawing up of the document – object of handing at a detached for this purpose place in the territory unit of the National Social Security Institute, on the Internet web-page of the National Social Security Institute or in the municipality or the city-council. In this case, the orders, statements of defalcation and the mandatory requirements shall be considered delivered after expiry of 7 days term from placing the message.

(5) (amend. - SG 112/2004, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 106/13, in force from 01.01.2014) The sums of the orders which have not been paid voluntary, shall be collected through:

1. (amend. SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) distraint of the accounts of the debtors and of the persons related to them for receivables of the state public insurance;

2. (suppl., SG 67/03) execution over the chattels or the immovable possessions of the debtors and the receivables of third persons.

3. (new – SG 1/02; amend., SG 45/02, amend. - SG 105/05, in force from 01.01.2006) execution on sums restored by a body of the National Revenue Agency on restrained account of the debtor.

4. (new – SG 112/2004; revoked – SG 105/06, in force from 01.01.2007)

(6) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006) Distraint of the accounts of the debtors of the state public insurance shall be implemented by sending distraint message by the chief of the territorial division of the National Social Security Institute to the banks which shall immediately transfer the due sums to the accounts of the state public insurance. The distraint imposed on the account of the debtor in the bank shall have effect with regard to all its branches. The distraint shall be considered imposed from the hour on the corresponding date when the distraint letter is received in the bank. In case in the account of the debtor there is no enough resources the bank shall inform in 7 days term the territorial division of the National Social Security Institute about the reasons due to which the distraint has not been implemented.

(7) (new – SG 1/02; amend., SG 67/03) The, who pays to the debtor receivables, on which distraint has been imposed under this code, shall be jointly and severally responsible with him for the paid sums, up to the extent of the liability, together with the interest under art. 113 after the payment. When the payment is implemented by a corporate body or unregistered partnership, together with it shall be jointly and severally responsible the manager or the members of the management body, or managing partner, who have admitted the payment. The bodies of para 3 shall issue orders for collecting the sums, securing measures being possible to be imposed.

(8) (new - SG 64/00, prev. (7) – SG 1/02; amend. – SG 106/13, in force from 01.01.2014) The body who has imposed the distraint may permit a definite part of the sums received to an account of the debtor to remain at his temporary administering by a reasoned decision. The said decision or the refusal to issue such shall not be subject to appeal.

(9) (prev. (7) - SG 64/00, prev. (8) – SG 1/02, suppl. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007)) The takings of the state public insurance from incorrectly implemented insurance expenses shall be redeemed in the following consequence: principal, interests and expenses. The cession of the takings of the state public insurance from incorrectly implemented insurable incomes shall be prohibited.

(10) (prev. (8) - SG 64/00, prev. (9), amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007) The collecting of the takings through execution over the chattels or the immovable possessions of the debtor and the takings from third persons shall be implemented by the order of the Tax-insurance Procedure Code. The application to the public executive shall be made by the chief of the territorial division of the National Social Security Institute.

(11) (prev. (9) - SG 64/00, prev. (10), amend. SG 1/02, amend. - SG 112/2004; revoked – SG 104/05, in force from 01.01.2006)

(12) (prev. (10) - SG 64/00, prev. (11) amend. SG 1/02, revoked – SG 105/05, in force from 01.01.2006)

### **Proprietary sanctions for banks**

Art. 111. (revoked – SG 94/12, in force from 01.01.2013)

### **Obligations for entering**

Art. 112. (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006, amend. - SG 34/06, in force from 01.10.2006; revoked – SG 105/06, in force from 01.01.2007)

### **Interests for takings of the Social Security Institute and supplementary compulsory pension insurance (title amend. SG 112/2004)**

Art. 113. (amend., SG 67/03; in force from January 1, 2004) (1) (prev. text of art. 113 – SG 53/04, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 94/12, in force from 01.01.2013) The takings for non paid insurance payments for state public insurance, for supplementary compulsory pension insurance and for incorrectly implemented insurance expenses shall be collected with the an interest amounting to the basic interest rate of the Bulgarian National Bank for the period plus 10 points.

(2) (new, SG 53/04; revoked – SG 99/09, in force from 01.01.2010)

### **Restoration of sums received without grounds**

Art. 114. (amend. – SG 99/09, in force from 01.01.2010) (1) The sums for insurance payments received in bad faith shall be restored by the persons who have received them together with the interest under art. 113.

(2) (suppl. – SG 99/12, in force from 01.01.2013; suppl. – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017) The sums for insurance payments received in good faith shall not be subject to reimbursement by the insured persons, except for the following cases in which reimbursement is without interest until the expiry of the deadline for voluntary execution:

1. (Amend. – SG, 99/17, in force from 01.01.2018) Art. 40, Para 7, Art. 54f and Art. 54l, para 2, item 2;

2. when after their payment new documents or data are presented relevant to determining the right, the amount of and the duration of payments;

3. (amend. - SG 102/18, in force from 01.01.2019) an amendment or termination of benefit or pension as a result of evidence obtained by applying the provisions of an international treaty, to which the Republic of Bulgaria is a party, or of European regulations on co-ordinating the social insurance systems.

(3) (suppl. – SG 99/12, in force from 01.01.2013; amend. – SG 106/13, in force from 01.01.2014) For the purposes of restoration of the amounts under para 1 and 2 the official, to whom is assigned the management and the control of the expenses of state public insurance at the respective territorial unit of the National Social Security Institute, or an official appointed by the head of the unit, shall issue an order which is subject to voluntary execution within 14-days term from the delivery thereof. In these cases audit acts for deficit under Art. 110, para 1 shall not be drawn up. The prescriptions shall be handed over to the persons as set out in Art. 110, Para 4.

(4) (new – SG 106/13, in force from 01.01.2014, suppl. - SG 102/18, in force from 01.01.2019)

Monetary amounts for pensions and cash benefits paid unduly for periods after the death of the entitled person shall be collected from the person who has received them, or jointly by the heirs. In order to collect the said sums the official to whom is assigned the management and the control of expenses of the state social security at the respective territorial unit of the National Social Security Institute, or another official designated by the unit's manager, shall issue an order which is to be delivered pursuant to Art. 110, para 4. The orders are subject to voluntary payment within 14 days from their submission.

(5) (amend. – SG 100/10, in force from 01.01.2011; suppl. – SG 99/12, in force from 01.01.2013; prev. text of para 4, amend. – SG 106/13, in force from 01.01.2014, amend. – SG, 99/17, in force from 01.01.2018) The sums due according to the orders which have not been paid off in good faith within the term fixed in para 3 shall be subject to compulsory execution pursuant to Art. 110, Para 5, Item 1 of this Code or pursuant to the Tax-Insurance Procedure Code, or through deduction from due takings of the insured person from the state public insurance. Deductions shall be carried out by an order of the official to whom is assigned the management and the control of the expenses of state public insurance at the respective territorial unit of the National Social Security Institute, or an official appointed by the head of the unit.

(6) (amend. – SG 100/10, in force from 01.01.2011) Disputes on good faith shall be settled according to Chapter eight by a resolution of the Chief of the territorial directorate of the National Social Security Institute.

#### **Deductions from cash benefits, aid and pensions**

Art. 114a. (new – SG 100/10, in force from 01.01.2011) (1)(suppl. – SG 106/13, in force from 01.01.2014, amend. – SG 98/16, in force from 01.01.2017) No attachment shall be imposed on cash benefits and aid granted pursuant to this Code following the respective procedures set out in the Code of Civil Procedure and the Tax-insurance Procedure Code, and no deductions shall be made, except for the ones related to liabilities to the state public insurance and maintenance liabilities, as well as in the cases of offsetting of amounts pursuant to Art. 114, Para. 5.

(2)(suppl. – SG 106/13, in force from 01.01.2014) Upon calculation of the income from pensions, on which are established garnishments pursuant to the Code of Civil Procedure and the Tax-insurance Procedure Code or when making deductions for takings of the state public insurance, the allowances thereto shall also be included, as well as in the cases of offsetting of amounts pursuant to Art. 114, para 5, except for the allowance for foreign aid.

(3) (new - SG 98/16, in force from 01.01.2017) The deductions from pensions to reimburse groundlessly received amounts for insurance payments shall be in the following extent:

1. where the pensioner receives up to 300,00 BGN per month - one-seventh part;
2. where the pensioner receives from 300,01 to 400,00 BGN per month - one-sixth part;
3. where the pensioner receives from 400,01 to 500,00 BGN per month – one-fifth part;
4. where the pensioner receives from 500,01 to 700,00 BGN per month – one-third part;
5. where the pensioner receives over 700,01 BGN per month – one-second part.

(4) (new - SG 98/16, in force from 01.01.2017) The receivables shall be collected in sequence: maintenance due, unjustifiably paid amounts for insurance payments, other public claims and private claims.

#### **Limitation period**

Art. 115. (1) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 41/07; suppl. – SG 109/08, in force from 01.01.2009; amend. – SG 107/14, in force from 01.01.2015, amend. – SG, 99/17, in force from 01.01.2018) The takings of National Social Security Institute, unduly made insurance payments, ungrounded paid cash benefit and overtaken pensions and the interests on

them shall be redeemed with the expiry of five years of limitation period, starting from 1 January of the year, following the year they refer to. With the expiry of ten years prescription term, starting from 1 January of the year, following the year they refer to, all takings shall be redeemed regardless of the interruption, or termination of the prescription, apart from the cases, where the obligation is delayed or the fulfilment has been stopped upon request of the debtor.

(2) (amend. SG 1/02; amend. and suppl., SG 67/03; amend. – SG 109/08, in force from 01.01.2009; amend. – SG 100/11, in force from 01.01.2012; suppl. – SG 99/12, in force from 01.01.2013; prev. text of para 4 – SG 106/13, in force from 01.01.2014) The takings due by the state public insurance shall be redeemed upon expiration of a three-year limitation period, starting from 1 January of the year, following the year they refer to. The official to whom is assigned the management of the control of the expenses of the state public insurance in the respective division of the National Social Security Institute shall issue an order on the request for reimbursement of sums. The order shall be subject to appeal by the order of art. 117.

(3) (prev. text of para 2 – SG 106/13, in force from 01.01.2014) The limitation period shall be interrupted:

1. with the order for establishing the taking entering into force;
2. (revoked – SG 109/08, in force from 01.01.2009)
3. with the undertaking of measures for compulsory execution.

(4) (prev. text of para 3 – SG 106/13, in force from 01.01.2014) From the interruption of the limitation period shall start new prescription.

(5) (new – SG 106/13, in force from 01.01.2014) The limitation period shall be suspended:

1. in cases of appeal - for the duration of the dispute regarding the claim;
2. in those cases where another administrative or judicial proceedings have been initiated and the issuance of an order or award of cash benefit or aid under this Code depends on the outcome of these proceedings.

### **Deferring of liabilities**

Art. 116. (amend. SG 1/02) (1) (amend. - SG 105/05, in force from 01.01.2006) Upon request of the debtor to the state public insurance for the takings, established and collected by the National Social Security Institute, can be permitted deferring of the payment of the sums due according to an approved redemption plan.

(2) The deferment shall be admitted when it is established, that the available pecuniary resources of the debtor are not sufficient for redemption of his liabilities to the funds of the state public insurance, but after assessment of his activity a reasonable assumption can be made, that the difficulties are temporary and at deferment of the liabilities the debtor will be able to redeem and to pay the current liabilities to the funds of the state public insurance and the other public liabilities.

(3) (amend., SG 67/03) For the period of deferring the debtor shall due the interest under art. 113.

(4) (suppl., SG 42/03; amend. – SG 41/07) Deferring shall not be permitted with regard to a trader about whom there is a decision for termination with liquidation or about whom there is opened procedure for insolvency, as well as after determining the way of sale under art. 238 of the Tax Insurance Procedure Code.

(5) To the request of para 1 shall be attached:

1. proofs of the financial – economic status of the debtor and perspective programme for development – for a sole entrepreneur, a corporate body or equal to them;
2. declaration about all other public liabilities, including the interest for them, as well as all liabilities to private creditors and the interest for them;
3. redemption plan for deferring of the liabilities;

4. account of the incomes and the expenses of the debtor for the previous financial year;  
5. balance sheet for the previous financial year and for the last accounting period;  
6. information about the liabilities of the insurer by the date of the request for deferment, which shall include:

a) liabilities to the funds of the state public insurance, the health insurance and the supplementary compulsory pension insurance;

b) liabilities to the staff;

c) other public liabilities;

d) other liabilities;

7. other documents at discretion of the deferring body.

(6) (new – SG 99/12, in force from 01.01.2013) Where the request for rescheduling is made by a natural person, it shall be accompanied by a declaration for his income during the last 12 months before the calendar month of making the request.

(7) (prev. text of Para 06 – SG 99/12, in force from 01.01.2013) The decisions for deferring shall be taken by:

1. (suppl., SG 53/04; amend. - SG 12/15) the chief of the territorial division of the National Social Security Institute – for liabilities up to 10 000 BGN for a term up to one year, and for liabilities of registered farmers and tobacco producers for a period of up to two years;

2. (suppl., SG 53/04; amend. - SG 12/15) the manager of the National Social Security Institute – for liabilities from 10 000 to 100 000 BGN for a term up to 3 years and for liabilities of registered farmers and tobacco producers for a period of up to 5 years;

3. (suppl., SG 53/04; amend. - SG 12/15) The Supervisory council of the National Social Security Institute – for liabilities over 100 000 BGN for a term up to 3 years, and for liabilities of registered farmers and tobacco producers for a period of up to 5 years.

(8) (prev. text of Para 07 – SG 99/12, in force from 01.01.2013) With the permission shall be determined the final term, the redemption payments and other conditions, in this number the consequences of non compliance.

(9) (prev. text of Para 08 – SG 99/12, in force from 01.01.2013) For the period of the deferring shall stop the prescription term for the revenues of the state public insurance.

(10) (prev. text of Para 09 – SG 99/12, in force from 01.01.2013) The refusal of deferring shall not be subject to appeal.

(11) (new, SG 53/04, amend. - SG 30/06, in force from 12.07.2006; prev. text of Para 10 – SG 99/12, in force from 01.01.2013; amend. - SG 12/15) The refusal of deferring or postponement of liabilities of registered farmers and tobacco producers shall be subject to appeal by the order of the Administrative procedure code.

(12) (new, SG 67/03; prev para 10 – SG 53/04, revoked – SG 105/05, in force from 01.01.2006; prev. text of Para 11 – SG 99/12, in force from 01.01.2013)

## **Chapter eight. DISPUTES**

### **Administrative appeal (Title amend. - SG 98/16, in force from 01.01.2017)**

Art. 117. (1) To the chief of the corresponding territorial division of the National Social Security Institute shall be submitted appeals against:

1. (amend. – SG 105/06, in force from 01.01.2007; suppl. – SG 99/09, in force from 01.01.2010, amend. - SG 98/16, in force from 01.01.2017) incorrect determining or payment of cash benefits under Chapter Four or supports;

2. orders:

- a) (suppl. – SG 99/09, in force from 01.01.2010) for refusal or incorrect determining or change and suspension of the pensions, the additions and the compensations thereof;
- b) (new – SG 1/02) for refusal and incorrect determining, changing, stopping and termination of the unemployment benefit;
- c) (prev. b) – SG 1/02) for collecting the sums of the audit acts for deficit;
- d) (prev. c) – SG 1/02) for recognising or not recognising the accident as labour one;
- e) (prev. d) – SG 1/02) for restoration of received payments from the state public insurance without grounds;
- f) (prev. e) – SG 1/02, revoked – SG 105/05, in force from 01.01.2006; new – SG 105/06, in force from 01.01.2007) for a refusal to pay cash benefits under Chapter Four or supports;
- g) (new – SG 105/06, in force from 01.01.2007; amend. – SG 100/2010, in force from 01.01.2011; amend. – SG 106/13, in force from 01.01.2014) under Art. 40, para 4, Art. 54d, para 4 and Art. 114, para 3, 4 and 5;
3. (new – SG 99/12, in force from 01.01.2013) compulsory prescriptions of the control authorities under Art. 108, Para 1, Item 3.
4. (new - SG 98/16, in force from 01.01.2017) refusals to issue certificates for insurance service and income from the bodies of the National Social Security Institute, refusals to issue certificates for use of cash assistance for prevention and rehabilitation and refusals to certify the insurance service and income in insurance books;
5. (new - SG 98/16, in force from 01.01.2017) the contents of a document certifying insurance service and insurance income issued by the authorities of the National Social Security Institute.
- (2) (amend. SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 99/12, in force from 01.01.2013; amend. - SG 98/15, in force from 01.01.2016, amend. - SG 98/16, in force from 01.01.2017) Complaints under par. 1 shall be submitted in writing within the following deadlines:
1. against orders under item 2, letter "a" - within one month of receiving them;
  2. against orders under item 2, letters "b" - "g", the mandatory requirements under item 3, the refusals under item 4 and the content of the document under item 5 – within 14-day of receipt.
- (3) (amend. – SG 106/13, in force from 01.01.2014, amend. – SG 98/16, in force from 01.01.2017) The chief of the territorial division of the National Social Security Institute shall decide about the appeals or the requirements with a motivated decision in one month term after receiving them. By the said decision the Head of the territorial unit shall rule on the issue on its merits or revoke the order and refer the case back for reconsideration by the competent administrative authority in those cases where not all circumstances relating to the order are clarified.
- (4) (new - SG 64/00; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017) The orders issued by the official under Art. 98, para 1, item 2 can be appealed before the governor of the National Social Security Institute within one month and the orders under Art. 98, para 2 – within 14 days term from receipt thereof. The decision shall be made within the term and following the procedure under para 3.
- (5) (prev. para 4 - SG 64/00, amend. - SG 30/06, in force from 12.07.2006) The decisions and the messages connected with the considering of the appeals and the requirements shall be prepared by the order of the Administrative procedure code.
- (6) (prev. para 5 - SG 64/00; revoked., SG 45/02)

### **Stopping the execution (New, SG 45/02)**

- Art. 117a. (New, SG 45/02) (1) (amend. – SG 100/2010, in force from 01.01.2011) The appeal of the orders under Art. 114 and art. 117, para 1, item 2 shall not stop their execution.
- (2) (amend. – SG 100/2010, in force from 01.01.2011) The execution of the orders under Art.

114 and Art. 117, para 1, item 2, letter "c" shall be stopped upon request of the taxable person if he presents a security amounting to the principal and the interest.

(3) The request for stopping the execution shall be presented together with the complaint, attaching evidence of the security.

(4) The legal interest on the principal shall be due for the period of stopping.

**Appealing before court (title amend. – SG 100/2010, in force from 01.01.2011, amend. – SG 98/16, in force from 01.01.2017)**

Art. 118. (1) (amend. - SG 30/06, in force from 12.07.2006, suppl. – SG 98/16, in force from 01.01.2017) The decision of the chief of the territorial division of the National Social Security Institute can be appealed in 14 days term after receiving it before the administrative court. The appeal shall be submitted through the chief of the territorial division who shall be obliged to send it together with the file to the court in 7 days term. The contents of a document under Art. 117, para. 1, item 5 may not be challenged before a court, as well as the decision of the chief of the territorial division of the National Social Security Institute, which represented their ruling on challenging the contents of such document.

(2) (new – SG 100/2010, in force from 01.01.2011) The decision of the Manager of the National Social Security Institute as of Art. 117, para 4 can be subject to appeal before the Administrative Court, Sofia City within 14 days from its receipt. The appeal shall be lodged through the Manager of the National Social Security Institute, who shall forward it along with the file to the court.

(2) (amend. - SG 30/06, in force from 12.07.2006; prev. text of para 2 - SG 100/2010, in force from 01.01.2011) The court shall consider the cases by the order of the Administrative Procedure Code.

**Suspending Implementation by the Court**

Art. 118a. (New, SG 45/02) (1) (suppl. – SG 98/16, in force from 01.01.2017) The appeal before court of the decisions of the chief of the territorial division of the National Social Security Institute and of the manager of the National Social Security Institute, issued for the orders under art. 117, para 1, item 2 shall not stop their execution.

(2) (amend. - SG 30/06, in force from 12.07.2006) The execution can be stopped by the administrative court under the conditions of art. 117a, para 2 and 4 for the decisions issued for the orders under art. 117, para 1, item 2, letter "c". The request for stopping the execution shall be extended simultaneously with the filing of the complaint and the court shall rule within 7 days.

(3) The refusal of the court to stop the execution shall not be subject to appeal.

**Cassation appeal**

Art. 119. (amend. - SG 30/06, in force from 12.07.2006; amend. – SG 41/07, suppl. - SG 77/18, in force from 01.01.2019) The decisions of the administrative court shall be subject to cassation appeal by the order of the Administrative procedure code with the exception of those pronounced on appeals against the acts under Art. 117, para. 1, item 2, letter "e".

**Exemption from state fee**

Art. 120. (1) For the procedures of this chapter the insured persons and the pensioners shall not pay state fee.

(2) At respecting the appeal the appellant shall have the right to receive the expenses made by him and the remuneration paid for defence according to the respected part.



**Part two.**  
**SUPPLEMENTARY SOCIAL INSURANCE (amend., SG 67/03)**

**Division one.**  
**Supplementary social insurance companies (new, SG 67/03)**

**Chapter nine.**  
**Establishment, licensing and management of supplementary social insurance companies (amend., SG 67/03)**

**Section I.**  
**General provisions (new, SG 67/03)**

**Providing supplementary social insurance (new, SG 67/03)**

Art. 120a. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The supplementary social insurance shall be carried out through universal and/or professional pension funds, funds for supplementary voluntary pension insurance and/or funds for supplementary voluntary pension insurance under professional schemes and funds for supplementary voluntary insurance for unemployment or for professional qualification, which shall be established and managed by pension insurance companies or companies for supplementary voluntary insurance for unemployment and/or professional qualification licensed by the order of this code.

**Regulation and control (new, SG 67/03)**

Art. 120b. (1) The state shall exercise effective regulation and control of the activity of the companies and funds for supplementary social insurance for the purpose of protecting the interests of the insured persons and pensioners.

(2) The supervision of the activity of the companies and funds for supplementary social insurance shall be carried out by the Commission for financial supervision, called hereinafter "the commission".

(3) The commission and the deputy chairman of the commission, in charge of division "Insurance supervision", called hereinafter "deputy chairman of the commission", shall exercise the supervisory legal capacities in compliance with this code and with the Financial Supervision Commission Act.

**Language**

Art. 120c (New – SG, 92/17) (1) The documents of the pension-insurance companies and of the companies for supplementary voluntary insurance for unemployment and/or professional qualification and of their instance intermediaries in relation to the activity on supplementary social insurance, which are provided to the users, to the commission and the deputy chairperson of the Commission, shall be drawn up in the Bulgarian language.

(2) In the relation between the users and the companies for supplementary social insurance, or – the insurance intermediaries, another language may be used, where this has been agreed between the parties.

**Section II.**  
**Pension Insurance Companies (new, SG 67/03)**

### **Definition (amend., SG 67/03)**

Art. 121. (amend., SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall be a joint-stock company licensed by the order of this code and registered according to the Commerce Act or according to the legislation of another Member state.

(2) The pension insurance company shall have a subject of activity only supplementary pension insurance.

(3) The pension insurance company may not carry out commercial transactions which are not directly related to its activity.

(4) The pension insurance companies may establish non-profit associations for representation of their own interests and for realisation of joint projects.

(5) The pension insurance company shall not have the right to participate in civil companies and in trade companies as unlimited liable partner, as well as to acquire stocks in other pension insurance companies.

(6) (amend. - SG 22/15, in force from 24.03.2015, amend. – SG, 92/17) The pension insurance company shall carry out activity:

1. according to this code and the acts on its implementation;
2. in compliance with its statute and the rules for the organisation and activity of the managed by him fund for supplementary pension insurance with its investment policy and with the internal acts under Art. 123f, Para. 4, p. 5, letters “a”, “f”, “g” and “i”, p. 6 and 8;
3. in compliance with the other internal acts, adopted by the company pursuant to the requirements of the present Code and the acts on implementation thereof.

### **Name of the company (new, SG 67/03)**

Art. 121a. (new, SG 67/03) (1) The name of the pension insurance company shall obligatorily contain in a combination the words "pension" and "insurance" and their derivatives.

(2) Companies which do not have licence for carrying out activity related to supplementary pension insurance may not use in the name of the company, in combination, the words under para 1, or their equivalence in Bulgarian or foreign language.

### **Promoters and stock-holders (new, SG 67/03)**

Art. 121b. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Promoters and stock-holders of the pension insurance company may be:

1. Bulgarian natural or legal persons;
2. natural persons – citizens of another Member state;
3. legal persons, having a seat of business in another Member state;
4. (amend. – SG, 92/17) foreign legal persons, apart from those under p. 3, who have been registered as security, insurance or another financial institution under their national legislation and are subject to specialized financial supervision.

(2) The persons under para 1 may possess stocks of only one pension insurance company carrying out activity in the country.

### **Stocks and capital (new, SG 67/03)**

Art. 121c. (new, SG 67/03) (1) The pension insurance company may issue only personal book-entry stocks entitled to one vote.

(2) The minimal size of the capital of the pension insurance company shall be 5 million levs.

(3) (Amend. – SG, 92/17) The capital of the pension-insurance company shall be paid in full in cash by the date of filing the application for receiving pension licence, or on the date of submission of the application for entry in the Trade register – with a follow up increasing of the capital. The contributions to the capital of the pension-insurance company of the establishers and shareholders shall not be made with credit funds, with funds of unproved origin, or with funds, received as a result of criminal or other illegal activity.

(4) The pension insurance company shall have available, at any time, own capital (capital base) amounting to no less than 50 percent of the minimal capital under para 2.

(5) The pension insurance company may not allocate dividends in sizes and in a way which would lead to violation of the requirements of para 4.

(6) (Amend. – SG, 92/17, in force from 18.11.2018) When the own capital (capital base) of the pension insurance company drops under the size determined by para 4 it shall inform, within 3 days the commission and shall produce within 14 - day term from the dropping of the own capital under the required size a recovery programme for bringing within 3- month term the own capital, in compliance with the requirements of this Code. Where failure of fulfilment of the requirement under Para. 4 is found by the deputy chairperson of the Commission, the Commission, upon proposal of the deputy chairperson of the Commission shall order to the pension-insurance company to prepare recovery programme within the term, which shall not be longer than 14 days.

(7) (Amend. – SG, 92/17, in force from 18.11.2018) The Commission, upon proposal of the deputy chairperson of the Commission shall approve or refuse the approval of the recovery programme within 14 days from its receipt. The Commission shall refuse to approve the programme, where the proposed measures do not guaranty the fulfilment of the requirement under Para. 4 or the interests of the insured persons or pensioners.

(8) Within the period of fulfilment of the recovery programme the pension insurance company may not allocate dividends and shall assign the full size of the profit, after taxation, to fund "Reserve".

(9) (Amend. – SG, 92/17) If the programme is not approved or the programme is not fulfilled the Commission shall undertake the actions under art. 344, para 2, item 7, and/or item 19.

(10) (Amend. – SG, 92/17, in force from 18.11.2018) The requirements for the content and the structure of the own capital (capital base) of the pension insurance company for the minimal liquid resources of the company and of the managed funds for supplementary pension insurance and to the structure and contents of the recovery programme shall be determined by an ordinance of the Commission.

(11) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) If it carries out activity abroad, insures biometrical risks or guarantees minimum level of profitability or amount of the pensions, the pension insurance company, managing a fund for supplementary voluntary pension insurance under professional schemes, shall constantly maintain, except for the technical reserves under art. 213a, para 1, item 2, own resources, which serve as supplementary guarantee for fulfilment of the assumed liabilities.

(12) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The amount of the own resources under para 11 shall be fixed on the basis of the types of insured risks and the assets possessed for the respective professional schemes. The resources shall be kept free of all kinds of foreseeable liabilities and shall represent supplementary capital, guaranteeing the security of the assumed liabilities for compensation of the discrepancies between the expenses and profits provided for and the actual ones.

(13) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) To the assessment of the minimum amount of the own resources under para 11 shall be applied rules, determined by the ordinance under para 10.

(14) (New – SG, 92/17) Where during financial supervision is found, that in reports and in

references the pension-insurance company has calculated the amount of the reserves, which it is obliged to create under this Code, the value of the assets, liabilities, revenues and costs or other indicators in violation of this Code and of the instruments on its implementation, the Commission, upon proposal of the deputy chairperson of the Commission may order a new calculation to be made of all these indicators.

### **Loans (new, SG 67/03)**

Art. 121d. (new, SG 67/03) (1) The pension insurance company may not give loans or be a guarantor of third persons.

(2) The pension insurance company may use a loan amounting to 10 percent of the own capital (capital base) of the company if the loan is used for acquiring long-term material assets, directly necessary for the activity of the company, and it has a term of no more than 3 months.

(3) The pension insurance company may not issue bonds.

### **Requirements and responsibility of the members of the managing and control bodies**

Art. 121e. (new, SG 67/03, amend. – SG 92/17, in force from 18.11.2018, suppl. - SG 103/17, in force from 01.01.2018) The members of the managing board and of the supervision board of the pension-insurance company or of the board of directors, the other persons, authorised to manage it or represent it, as well as the person at other managing position in the company shall meet the following requirements for qualification and reliability:

1. to possess professional qualification, knowledge and experience, adequate for the stable and reasonable management of the company (qualification);

2. to have good reputation and to be honest (reliability).

(2) The members of the managing and of the control body of the pension insurance company must collectively possess the needed qualification in all reference areas of the activity.

(3) The pension-insurance company shall be managed and represented together at least by 2 executive directors or by an executive director and procurator. They shall not assign the whole management and representation of the pension insurance company to one of them, but may authorize third persons for performing certain actions.

(4) The managing and the control body of the pension-insurance company shall adopt and apply rules and procedures, which should guaranty, that the persons under Para. 1 at any time meet the requirements for qualification and reliability.

(5) A member of the managing board, of the board of directors or a procurator of the pension insurance company may be only an active, natural person, who:

1. has higher education with acquired educational – qualification degree not lower than Master in a subject, appropriate for management of the company;

2. has professional experience under Para. 6;

3. has not been convicted for premediated crime of general nature, as well as for crimes because of negligence against his own or against the economy, perpetrated in the Republic of Bulgaria or abroad, unless he has been rehabilitated;

4. has not been deprived from the right to occupy materially responsible position;

5. during the last 3 years before the defined by the court initial date of the insolvency, has not been a member of a management or control body or unlimitedly responsible partner in a company, for which an insolvency procedure has been opened, or in a terminated company because of insolvency, if there are remained unsatisfied creditors;

6. he is not in a procedure for accusation in insolvency and his rights of insolvency debtor have not been un-recovered;

7. during the last year, or before the act of the relevant competent body he has not been member of a management or control body, unlimitedly responsible partner, or procurator in a company, which has been deprived of license for performing activity, subject to license regime, apart from the cases, where the license has been withdrawn upon request of the company, as well as if the act for withdrawal of the issue license has been repealed under the relevant procedure;

8. has not been discharged from a management or control body of a trade company or as procurator on the basis of applied mandatory administrative measure, apart from the cases where the act of the competent body has been repealed under the relevant procedure;

9. is not a spouse or relative in direct or indirect line including to 4<sup>th</sup> degree, or under in-laws including to third degree with another member of a management or control body of the company and is not in a physical cohabitation with such a member;

10. is not a member of a management or control body of another pension- insurance company, performing activity in the country;

11. has not been imposed by administrative punishment during the last 3 years for constant violation of this Code, of the other acts, regulating the non-bank financial sector, of the Credit Institutions Act and of the instruments of their implementation, or of the relevant legislation of another EU Member State;

12. does not cause ground for doubt about his reliability and adaptability and for whom there is not conflict of interests on the basis of the data, collected for him.

(6) Professional experience in the meaning of Para. 5, p. 2 is present, where the person not less than 5 years has:

1. occupied a position in a management or control body of the pension insurance company, insurer, re-insurer, bank or in another undertaking of the financial sector, where the activity of the undertaking of the financial sector is comparable with that of the pension insurance company;

2. has occupied a management position, related to the management or with the investing of assets in an undertaking of the non-financial sector, whose assets are comparable with the assets, managed by the pension insurance company;

3. worked in state institutions or in other public legal subjects, whose basic functions include management and control of state or international public financial assets or management, control and investment of cash funds in funds, established by a normative act, under the condition that his obligations have been related to the basic activity of these institutions and subjects and the managed, controlled or invested in them assets are comparable with the assets, managed by the pension-insurance company;

4. worked at management position in state institutions, which carry out activity in the area of the social insurance and in the finances or in the supervision over them.

(7) A member of the control body of the pension insurance company may be:

1. an active natural person, who meets the requirements of Para. 5, p. 1 and 3 – 12, or

2. legal person, which meets the requirements of Para. 5, p. 5 – 8 and 10 – 12.

(8) The representative of a legal person – member of the control body of the pension – insurance company must meet the requirements of Para. 7, p. 1.

(9) A representative of a legal person in a control body or procurator of a pension insurance company shall not be member of a management or control body:

1. a person under Art. 123c, Para. 1 with whom the company is in contractual relations;

2. bank-trustee, with which the company has signed a contract for trust services

3. a person, in close relations with a person under p. 1 or 2;

(10) The persons under Para. 5 and 7 before their selection by the competent body of the company, and the persons under Para. 8 – before their determination by the relevant legal person, shall be subject to approval by the commission. For receiving approval, they shall submit an application under a confirmed standard form by the commission deputy person, to which they shall attach the following

documents:

1. for the persons under Para. 5:

a) a diploma for higher education;

b) documents, certifying their professional experience;

c) (amend. - SG 98/18, in force from 18.11.2018) a certificate, showing no previous convictions, or a similar document for persons who are not Bulgarian citizens; for Bulgarian citizens the lack of conviction shall be established ex officio;

d) a declaration under a standard form, confirmed by the commission deputy chairperson about the circumstances under Para. 5, p. 4 – 11 and Para. 9;

2. for the persons under Para. 7, p. 1 and Para. 8:

a) a diploma for higher education;

b) (amend. - SG 98/18, in force from 18.11.2018) a certificate, showing no previous convictions, or a similar document for persons who are not Bulgarian citizens; for Bulgarian citizens the lack of conviction shall be established ex officio;

c) a declaration under a standard form, confirmed by the commission deputy chairperson about the circumstances under Para. 5, p. 4 – 11 and Para. 9;

3. for the persons under Para. 7, p. 2 – declaration under a standard form, confirmed by the commission deputy chairperson on the circumstances under Para. 5, p. 5 – 8, 10 and 11 and Para. 9.

(11) The commission deputy chairperson may require in a term, set by him, not longer than 1 month:

1. correction or supplementation of the documents under Para. 10 for removal of incompliance with the provisions of this Code or the instruments for its implementation;

2. producing by the applicant, by the competent bodies in the country and abroad or by third persons documents and/or information about the application, or about the persons who control him, the members of his management and control bodies and procurators.

(12) The commission deputy chairperson shall introduce to the commission a proposal for approval or refusal for approval of the applicant under Para. 10 within 1-month term from submission of the application, and where supplementary documents or information is required from the applicant or other person, or instructions are given for removal of incompliance under Para. 11 – within 1-month term from their production. Where the documents or the information, required from other persons have been produced after those of the applicant, the commission deputy chairperson shall notify him about the dead line for introduction of the proposal. In the cases, where the required supplementary documents or information have not been produced, the commission deputy chairperson shall introduce the proposal in the commission within 1- month term from expiry of set term for their production. The commission shall pronounce with grounded decision within 1-month term from the introduction of the proposal.

(13) The commission shall refuse to issue approval, where the applicant under Para. 10:

1. fails to meet the requirements of this Code;

2. with his activity or influence over the decision taking may damage the security of the company or its operations;

3. has not introduced the required documents within the set term under Para. 11;

4. has produced documents, which contain untrue data.

(14) The approval of the commission of a person under Para. 5, 7, or 8 shall be issued for occupying position in a management or control body of a concrete pension insurance company and shall terminate its action in case that within 1 year form its issuance, the person under Para. 5, 7, or 8 has not been selected by the competent body of the company and under Para. 8 – has not been determined by the relevant legal person.

(15) A person under Para. 5, 7 or 8, who does not any longer meet the requirements, provided by this Article, shall be obliged to notify immediately the management and control body of the company and the commission. In this case the person shall not have the right to realize his functions and receive

remuneration.

(16) The members of the management or control body of the pension insurance company shall bear personal property responsible for the damages, caused by them during management of the fund for supplementary pension insurance, which are direct and immediate consequence form their guilty actions or lack of actions.

(17) The decisions, taken by the management and by the control bodies and the signed transactions in violation of Para. 15, sentence two are real and the person, committed the violation shall be responsible before the pension insurance company and the fund for supplementary pension insurance for the damages caused.

### **Independent members**

Art. 121e<sup>1</sup>. (New – SG, 92/17, in force from 18.11.2018) (1) At least one third of the board of directors or the supervision board of the pension insurance company shall consist of independent members – natural persons.

(2) The independent member of the board:

1. must meet the requirements of Art. 121e, Para. 5;

2. shall not be:

a) an employee in the pension insurance company;

b) a person, who is in close relations with the pension insurance company;

c) a person, who is in permanent trade relations with the pension insurance company;

d) a member of a management or control body, procurator or employee of a person under letter “b” or “c”;

e) a person, who is in close relations with another member of a management or control body of the pension insurance company.

(3) To the independent members shall apply correspondingly Art. 121e, Para. 1, 2, 4, 6, 9 – 14 and Para. 16 and 17.

(4) The applicants for independent members shall certify the requirements under Para. 2, p. 2 – by a declaration.

(5) An independent member, who no longer meets the requirements under Para. 2 shall not have the right to realize his functions and receive remuneration and shall be obliged to notify immediately the relevant body of the pension insurance company and the commission.

### **Management and representation of the pension-insurance company**

Art. 121f. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) At least one of the persons, who manage and represent the pension-insurance company must speak the Bulgarian language.

(2) Persons, who manage and represent the pension-insurance company shall not have the right to occupy another position under a labour contract, unless they are co-workers in scientific institutes, or teachers in higher schools. They must manage the company by being present in person at its management address.

(3) Members of the management and control bodies of the pension-insurance company and its procurators shall be obliged to:

1. fulfil their duties competently, in good will and prudently, in the interest of the insured persons and pensioners;

2. prefer the interests of the insured persons and pensioners in the managed by the company pension funds before their own interests and the interest of the company;

3. observe in their actions the applicable legislation and the acts, adopted by the company, adopted under the requirements of the Social Insurance Code and the instruments on its implementation;

4. avoid conflicts of interests, and if such occur – they should disclose them in writing, timely

and completely before the relevant company body, they should not participate in decision making, as well as not influence the decision making, related to the relevant case;

5. observe confidentiality about the non-public information, related to the activity of the supplementary pension insurance, the insured persons and pensioners, including after they are no longer members of the relevant bodies;

6. accept and provide the application in the activity of the company the needed organization and rules, which should guaranty the observation by the company of:

a) this Code and the legislative instruments on its implementation;

b) the immediately applicable EU legislation in the area of supplementary pension insurance and the supervision over it and of the acts of the EU competent bodies and its implementation;

c) the provision of the internal acts of the pension-insurance company, which are required under this Code and the legislative instruments on its implementation;

7. refer fairly, objectively and impartially to all the managed pension funds and to all insured persons and pensioners;

8. observe the efficiency and effectiveness of the results from the activity on the supplementary pension insurance, including through an assessment of the actions and results from the activity of the insurance intermediaries and the other persons, with whom contracts have been signed for realization of certain activities.

(4) The pension-insurance company shall not sign transaction with the members of its management and control bodies and persons in close relations to them, unless in their capacity of members of the relevant body, of shareholders of the pension-insurance company, of insured persons in the managed by it funds, or pensioners.

#### **Requirements for the stock-holders (new, SG 67/03)**

Art. 121g. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018, suppl. - SG 103/17, in force from 01.01.2018) (1) Any person, who independently or in cooperation with another person directly, or indirectly possesses qualified participation in the capital of the pension-insurance company must:

1. meet the requirements of Art. 121e, Para. 5, p. 3 – 8 and p. 1 and 11 where he is a natural person;

2. meet the requirements under Art. 121e, Para. 5, p. 5 – 8 and p. 1 and 22, where it is a legal person;

3. have realized activity at least 3 years on the date of submission of the application under Para. 4, where it is a legal person;

4. have no delayed obligations to the state and municipalities;

5. be financially stable;

6. in relation to that, data shall not be present, on the basis of which a grounded assumption may be made, that in relation to the acquiring has been performed, is being performed, or there has been an attempt for money laundering in the meaning of the Act on Measures against Money Laundry, or for funding terrorism in the meaning of the Act on Measures against Funding of Terrorism, or that realization of the declared acquiring would increase the risk of that;

7. possess good reputation;

8. not possess independently or in cooperation with another person direct or indirect qualified participation in the capital of another pension- insurance company, license under this Code.

(2) The requirements under Para. 1, p. 1 shall also apply to natural person – members of the management and control bodies of a legal person under Para. 1, as well as to natural persons, who represent a legal person under Para. 1.

(3) Any person, who intends independently or in cooperation with another person directly, or



indirectly to acquire qualified participation in the capital of the pension – insurance company, or to increase his participation in it, as a result of which it will become qualified, or will reach or exceed the thresholds of 20%, 33% or 50% of the capital, must request preliminary permit from the commission. The permit shall be issued upon proposal of the commission deputy chairperson.

(4) For obtaining a permit under para 3 the person shall submit an application according to a model, approved by the deputy chairman of the commission, to which shall be attached the documents under Art. 122a, Para. 2. Where after acquiring a qualified participation a change in the control will follow of the pension-insurance company, the applicant shall produce also a plan for the activity, which shall include:

1. the basic objectives of the acquiring and the ways for their achievement (ground for the acquirement, mid-term financial objectives, the substantial circumstances of including the pension-insurance company in the group structure of the applicant, including description of the policy, which will be managed by the internal group relations);

2. description of the impact of acquiring over the management of the pension-insurance company and its structure.

(6) The commission deputy person may require in a term, defined by him, not longer than one month:

1. correction or supplementation of the documents under Para. 4 and 5 for removal of incompliance with the provision of this Code or of the instruments on its implementation;

2. presentation by the applicant, the competent bodies in the country and abroad also by third persons of documents and/or information about the applicant, persons, who control him, the members of his management and control bodies and his procurators.

(7) The commission shall grant, or refuse to grant permit under Apra. 3 within 1-month term from submission of the application, and where supplementary documents and/or information has been required from the applicant, or from other persons, or instructions have been given for removal of incompliance under Para. 6 – within 1-month term from their production. Where the documents or information, required from other persons, have been produced after those of the applicant, the commission deputy person shall inform him about the deadline, in which the commission must pronounce. In the cases, where the required supplementary documents or information have not been produced, the commission shall pronounce within 1-month term from expiry of the set term about their production.

(8) The commission shall refuse issuance of permit under Para. 3, where:

1. the applicant or the person, who controls him fails to meet the requirements of this Code;

2. the applicant fails to produce the needed documents or they do not meet the requirements of this Code and the instruments of its implementation;

3. the produced documents contain untrue data;

4. the amount of the capital of the applicant, the possessed by him property and/or the activity, developed by him in its scale and financial results fail to comply with the application for acquiring participation;

5. the origin of the funds, through which the applicant will acquire direct, or indirect participation in the capital of the pension-insurance company has not been proved or they have been received as a result of criminal or other illegal activity;

6. the requirements or difficulties in application of certain normative or administrative acts of a third state, regulating the applicant or other persons in close relations with him may hinder the exercising of effective supervision;

7. with his activity of impact over the decision making may damage the security of the company, or its operations.

(9) The commission may refuse issuance of a permit, where it cannot identify the real owners (real beneficiaries) who possess directly, or indirectly 10% and above of the rights to vote in the general

meeting or of the applicant's capital.

(10) With issuance of a permit, the commission may set a term, in which the acquiring to be made, after which expiring the issued permit shall become void. Upon request of the applicant, this term may be extended, where reasonable grounds impose this.

(11) In the cases, where permit under Para. 3 is required, the Central Depository – AD, called hereinafter: Central Depository shall carry out the relevant entries in relation or the acquiring of the assets of the pension -insurance company only after producing the issued permit.

### **Notification**

Art. 121h. (New – SG, 92/17, in force from 18.11.2018) (1) The Central Depository shall notify the commission about the name, address and amount of the possessed shareholding participation of every person, who acquire one% or above of the assets of the pension-insurance company, or exceeds its participation in the company capital, so that it reaches, or exceeds this threshold, within 7-day term from the entry of the acquiring.

(2) Any person, having received a permit under Art. 121g, Para. 3 shall be obliged to notify the commission within 7-day term from the acquiring of the participation in the capital of the pension-insurance company.

(3) Any person, possessing independently or in cooperation with another person direct or indirect qualified participation in the pension-insurance company capital, who decreases his participation, or increases it, without the needed permit under Art. 121g, Para. 3, shall be obliged to notify the commission within 7-day term from the change.

(4) In case of change of the real owners (beneficiaries) who possess 10% and above of the capital of the pension-insurance company, the company shall produce before the commission under a standard form, confirmed by the commission deputy chairperson this circumstance within 14- day term form knowing the change.

### **Pension licence (amend., SG 67/03)**

Art. 122. (amend., SG 67/03) (1) In order to carry out activity on supplementary pension insurance the joint-stock company must obtain a pension licence from the commission.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) The pension licence shall give the right to carry out activity on supplementary pension insurance upon obtaining a permit for managing a fund for supplementary pension insurance by the commission. The permit shall be issued for each fund individually.

### **Documents required for obtaining a pension licence (new, SG 67/03)**

Art. 122a. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018, suppl. - SG 103/17, in force from 01.01.2018) (1) To obtain a licence for carrying out activity on supplementary pension insurance the company shall file a written application in the commission according to a standard form, confirmed by the commission deputy chairperson, enclosing:

1. the records for the constituent assembly;
2. the statutes adopted by the constituent assembly;
3. the decision of the supervisory board for election of a managing board and the decision of the respective managing board for the way by which the company shall be represented and for the persons to represent it;
4. regulations for the work of the managing and supervisory body or regulations for the work of the board of directors;
5. management and organizational structure of the pension-insurance company;
6. business plan for the activity of the pension insurance company for a period of three years,

containing information for the funds for supplementary pension insurance which it intends to establish;

7. documents under the requirements of art. 123f, Para. 4, p 5, letters “a” – “I” and p. 6 - 8;

8. a certificate from a bank under Art. 2, Para. 5 of the Credit Institutions Act for wholly contributed minimally required capital under Art. 121c, Para. 2;

9. the documents under Art. 121e, Para. 10 and evidences, including declarations, that the requirements of Art. 121f, Para. 1 and 2 have been observed;

10. list of the stockholders with their UCN, UIC or other analogical data for foreign persons and the amount of the shareholding participation, as well as:

a) protocols with the decision of the management bodies of the shareholders – legal persons for participation in the establishment of the shareholding company, which applies for receiving pension license;

b) certificates for updated legal state – for legal persons, registered abroad;

c) a document by a competent body, which certifies, that over the activity of the legal person under Art. 121b, Para. 1, p. 4, specialized financial supervision is performed and its scope shall be indicated;

d) declarations by the shareholders about the circumstances under Art. 121b, Para. 2 and Art. 121c, Para. 3;

11. data about the information system of the company;

12. draft contract with a bank-trustee;

13. names and personal data of the actuary, protocol with a decision of the general meeting of the actuaries for its election and declaration about the circumstances under Art. 122k, Para. 1 p. 1 – 4 under a standard form, confirmed by the commission deputy chairperson;

14. a document for a paid fee.

(2) Every person, who independently or in cooperation with other persons directly, or indirectly possesses qualified participation in the capital of the pension – insurance company or may exercise control over the company shall produce:

1. declaration under a standard form, confirmed by the commission chairperson, about:

a) the real owners (real beneficiaries) who possess directly or indirectly 10% and above of the rights to vote in the general meeting, or of its capital;

b) compliance with the requirements under Art. 3, p. 3 of the Act on Economic and Financial Relations with the Companies, Registered in Jurisdictions with Preference Tax Regime, the Controlled by them Persons and their Real Owners;

c) the origin of the funds, from which the contributions have been made against the subscribed shares and that they have not been borrowed;

2. declaration, that there are no delayed obligations to the state and municipalities;

3. certificates for the established and paid tax and insurance obligations for the last 3 years;

4. declaration under a standard form, confirmed by the commission chairperson, certifying that the requirements of Art. 121g, Para. 1, p. 1, or p. 2 and 8 have been observed;

5. declaration under a standard form, confirmed by the commission deputy chairperson about the presence and nature of financial or any other interests or relations of the person, or the members of the management and control bodies where it is a legal person to other shareholders of the pension-insurance company and/or members of its management and control bodies, as well as about the presence or lack of written or silent agreements with another/s shareholder/s of the pension-insurance company and/or with other persons in relation to acquiring qualified participation, where to the declaration the texts of the agreements – if any – shall be attached;

6. documents on financial state:

a) for a legal person – annual financial statements for the last 3 years, after an audit, if such is obligatory, as well as financial statement about the last quarterly, before the submission of the application, which shall obligatorily include financial statement, report on the whole revenue, report on

the changes in the own capital, report on the cash flows and explanatory attachments;

b) for a natural person – declaration under a standard form, confirmed by the commission deputy chairperson on his financial state, and for a sole trader – also annual financial statements for the last 3 years, after an audit, if such is obligatory, as well as financial statement on the last quarterly;

7, information about the group, to which the legal person belongs, about the undertakings in the group, which are subject to financial supervision and about the competent institutions, which realize the supervision over them;

8. information about the credit rating of the applicant and of the trade companies, controlled by him, as well as of the group, of which he is a part, where such ratings have been made;

9. reference about the professional qualification and the experience of the natural person or the members of the management body of the legal person, as well as description of the activity of the legal person, till the date of submission of the application;

10. statute, or other analogical establishment documents.

(3) The commission deputy chairperson may require in a term, set by him, but not longer than one month:

1. correction and supplementation of the documents under Para. 1 and 2 for removal of incompliance with the provisions of this Code or the instruments on its implementation;

2. production by the applicant, by the competent bodies in the country and abroad and by third persons documents and information about the applicant, persons under Para. 2, members of the management and control bodies and of their procurators.

(4) After receiving the pension licence, the company shall inform the commission about every change in the documents or the circumstances within 7-day term from the entry or from the decision making, unless otherwise provided by this Code.

(5) The commission shall define by an ordinance the requirements to the documents under Para. 1, p. 6 and 11.

### **Issuance and refusal to issue pension licence (new, SG 67/03)**

Art. 122b. (new, SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) Within two months from receipt of the documents under Art. 122a, Para. 1 and 2 the deputy chairman of the commission shall present to the commission a proposal for issuance or refusal to issue a pension licence.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) In the cases when the deputy chairman of the commission has required supplementary documents and/or information from the applicant or from other persons, or has given instructions for removal of non-compliance under Art. 122a, Para 3, the proposal under Para. 1 shall be introduced within 1-month term from receiving the documents and/or the information. Where the documents or the information, required from other persons, have been produced after those of the applicant, the commission deputy chairperson shall inform him about the deadline for introducing the proposal. In the cases, where the required supplementary documents or information are not produced, the commission deputy chairperson shall set a term for their production.

(3) The commission shall take a motivated decision within one month from presentation of the proposal under para 1, by which it shall issue or refuse to issue a pension licence.

(4) The commission shall inform in writing the applicant about the decision within 7 days from its issuance.

(5) The issued pension licence shall be without a fixed term.

(6) In case of a refusal the applicant may extend a new request for obtaining a pension licence not earlier than 6 months from the date of the refusal.

(7) The decision of the commission under para 3 shall be promulgated in the State Gazette.

### **Grounds for refusal (new, SG 67/03)**

Art. 122c. (1) (Amend., SG 92/17; in force from 18.11.2018) (1) The commission shall refuse to issue a pension licence where:

1. the required documents have not been presented or they do not meet the requirements of this code, or non-compliance has not been removed in the cases of Art. 122a, Para. 3;
2. the paid-up capital is under the established minimum;
3. any of the members of the managing and control bodies, procurators, the persons under Art. 121a, Para. 2 fail to meet the requirements, provided by this Code, or if by their activity or influence over the decision-making process the security of the company or of its operations may be affected;
4. documents containing untrue information or data have been presented.
5. the activity which the applicant intends to carry out does not provide the required trustworthiness and his financial stability;
6. the amount of the property possessed by the persons who have subscribed 10 or more than 10 percent of the capital and/or the activity carried out by them as regards to its scope or financial results does not correspond to the joint-stock participation in the applicant's company and raise doubts regarding the trustworthiness and the fitness of the said persons in case the applicant needs capital support;
7. the origin of funds with which the persons who have subscribed 10 or more than 10 percent of the capital, have made instalments, is not proved or these funds have been received as a result of criminal or other illegal activity;
8. where, due to the fact that the applicant and other persons are in close relations, major difficulties may occur in the process of exercising effective supervision;
9. the requirements or the difficulties in the implementation of individual legislative or administrative acts of a third country regulating one or more legal entities or natural persons, with whom the applicant is closely related, will hinder the process of exercising effective supervision by the Commission;

(2) The Commission is entitled to refuse to grant a pension licence in those cases where the real owners (the real beneficiaries) cannot be identified, who possess directly or indirectly 10% or above of the rights to vote in the general meeting or of the capital of a person under Art. 122a, Para. 2.

### **Entry in the commercial register (new, SG 67/03)**

Art. 122d. (new, SG 67/03) (1) (amend. - SG 34/06, in force from 01.10.2006) The Registry Agency shall enter in the commercial register the company with subject of activity supplementary pension insurance upon presentation of the pension licence issued by the commission.

(2) (amend. - SG 34/06, in force from 01.10.2006; revoked – SG 109/13, in force from 20.12.2013)

### **Register of the pension licences (new, SG 67/03)**

Art. 122e. (new, SG 67/03; amend. and suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The commission shall keep a public register of the licensed pension insurance companies and of the funds for supplementary pension insurance and of the professional schemes, managed by them.

### **Withdrawal of licence (new, SG 67/03)**

Art. 122f. (new, SG 67/03) (1) The issued pension licence shall be withdrawn by the commission at a proposal of the deputy chairman of the commission when the pension insurance

company:

1. does not begin the activity for which it has been licensed within 6 months from obtaining the licence;
2. carries out other trade activity except the one directly related to the supplementary pension insurance;
3. is transformed through separation, incorporation or merger with another pension insurance company;
4. is dissolved by a decision of the general assembly of the stock-holders;
5. is insolvent;
6. has withdrawn permits for management of all funds established by it for supplementary pension insurance;
7. has presented documents which have served as grounds for issuance of the licence, containing untrue data.

(2) (Amend. – SG, 92/17) Besides the cases of para 1 the deputy chairman of the commission may extend a proposal for withdrawal of the licence of the pension insurance company, where:

1. the requirements of art. 121e and 121g have been violated;
2. the company has obstructed the supervision and/or has not fulfilled the imposed mandatory administrative measure under this Code;
3. the company does not fulfil its obligations to the insured persons, pensioners or the persons, who are paid once or in more contributions;
4. the voluntary principle in choosing a fund for supplementary pension insurance is not observed;
5. the company has concluded transactions affecting the financial stability of the managed funds for supplementary pension insurance, thus threatening the interests of the insured persons and pensioners;
6. the company has violated rudely, or permanently the provisions of this code and the acts for its implementation.
7. the company has produced untrue data about its own capital (capital base), the minimal liquid funds or about the reserves, which it is obliged to create under this Code;
8. (new - SG 15/18, in force from 16.02.2018) the company has committed or has allowed to be committed gross or systematic violations of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OB, L 337/1 of 23 December 2015), referred to hereinafter "Regulation (EU) 2015/2365".

(3) The commission shall announce a motivated decision within one month from presentation of the proposal for withdrawal of the licence.

### **Obligations of the pension insurance company after withdrawal of the pension licence (new, SG 67/03)**

Art. 122g. (new, SG 67/03) (1) Upon withdrawal of the pension licence the pension insurance company may not conclude new contracts and offer new terms of supplementary pension insurance, as well as to change the terms, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the licence shall not release the pension insurance fund from its obligations under concluded contracts.

### **Obligation of the commission in withdrawing the pension licence (new, SG 67/03)**

Art. 122h. (new, SG 67/03, amend. - SG 34/06, in force from 01.10.2006, suppl. – SG, 92/17)  
The commission shall send a notice for withdrawal of the pension licence to the Registry Agency. The decision for withdrawal of the pension licence shall be promulgated in the State Gazette and it shall be published on the commission website and in at least two central daily newspapers.

### **Liabile actuary**

Art. 122i. (new – SG 103/05, in force from 01.01.2006) (1) The actuary servicing of the pension-insurance company and of the managed by it finds for supplementary pension insurance shall be performed only by a liable actuary. Liable actuary shall be a natural person of recognized by the commission capability, which shall organize, manage and care liability for the actuary servicing of the company and the managed by it funds.

(2) The liable actuary shall be:

1. (suppl. - SG 103/17, in force from 01.01.2018) not convicted for a malicious crime of general nature, which circumstances for the Bulgarian citizens shall be established ex officio;

2. has not been for the previous three years before the determined by the court initial date of insolvency a member of managing or controlling body or unlimited-liable partner in a company for which an insolvency procedure has been instituted or of a terminated due to insolvency company if not-satisfied creditors left.

3. has not been announced in insolvency and is not in pending insolvency procedure;

4. has not been deprived from right to occupy materially responsible position;

5. has a higher education with obtained educationally-qualification degree not lower than "master" and a covered teaching hours in higher mathematics as per requirements determined by an ordinance of the commission;

6. has at least three years experience as an actuary in national insurance institutions, actuary or insurer, re-insurer, health-insurance company, pension-insurance company, or in bodies performing supervision over the activity of these persons, or as habilitated teacher in insurance or actuary;

7. has recognized capability of liable actuary by the commission after successful passing an examination.

(3) (Amend. – SG, 92/17) The terms and procedure of recognition of the capability and conduction of the examination for recognition of the capability under Para 2, item 7, as well as for recognition of capability, obtained in a Member State, shall be determined by an ordinance of the commission. For the purposes of this code, the capability of the liable actuary recognized under the procedure of Insurance Code, where the passed examination for capability includes assessment of the knowledge in the field of pension insurance shall be recognized.

(4) The commission shall deprive the capability of liable actuary upon proposal of Deputy Chairperson of the Commission, if is found that the person:

1. does not any more meet the requirements of Para 2, items 1 – 4;

2. upon performing activity of actuary servicing of a pension-insurance company and of the managed by it funds for supplementary pension insurance has performed gross or systematic breaches of this code, of secondary legislation on its application or of the regulations of the organization and activity of the managed by the respective pension-insurance company funds for supplementary pension insurance.

3. has submitted incorrect data and documents of incorrect content, on the base of which his/her capability has been recognized.

4. (new – SG 97/07) has not exercised the activity for more than two subsequent years after the recognition of the capability or after the discharge from the position of a responsible actuary, unless he/she has carried out an activity as actuary.

(5) (Amend. – SG, 92/17) In the cases of deprivation of capability under Para 4 the person may

require recognition of capability of liable actuary not earlier than three years from the decision enters in force. With the deprivation of the capability on some of the grounds of Para 4, the capability of the person as a liable actuary recognized under the Insurance Code shall be considered deprived too.

**Additional requirements to the liable actuary of the pension-insurance company.**

Art. 122j. (new – SG 103/05, in force from 01.01.2006) (1) The liable actuary of the pension-insurance company shall be:

1. not a spouse or relative up to fourth degree including of direct or collateral or in-law relationship to the manager or to the controlling body of the pension-insurance company;

2. not be a member of managing or controlling body of a company of the same scope of activity;

3. (amend. – SG, 92/17, in force from 18.11.2018, amend. on the entry into force - SG 15/18, in force from 21.11.2017) not be a partner or a shareholder, member of managing or controlling body of a person under Art. 123, Para 1 with whom the pension-insurance company has contractual relations, or a person in close relations with him/her, of the trustee-bank and of a person in close relations with it;

4. be a party to transactions with the company and the managed by it funds for supplementary pension insurance, except in his/her capacity of actuary of the company or of insured person in some of these funds;

5. have a permanent residence or permit for a durable stay in the country;

(2) (Amend. – SG, 92/17) The liable actuary shall be elected by the general assembly of the shareholders of the pension-insurance company, before which he/she shall in advance certify by an affidavit that he/she meets the requirements of Para 1. The pension-insurance company shall notify the commission about the taken decision for election of a liable actuary within 7-days period from the date of taking the decision, and shall submit a certified copy of affidavit.

(3) The responsible actuary shall notify the pension-insurance company about a change of the circumstances under Para 1 within 7-days period from learning the change.

(4) In case of change of circumstances under Para 1 or in case of deprivation of capability of liable actuary under Art. 122i, Para 4, the General Assembly of the Shareholders of the pension-insurance company shall dismiss the liable actuary and elect new one within three months from learning the circumstances.

**Actuary servicing**

Art. 123. (amend., SG 67/03; amend. – SG 103/05, in force from 01.01.2006) The liable actuary shall:

1. develop the biometrical tables under Art. 169. Para 1, item 2 and Art. 246, Para 1, item 2 and the actuary calculations for the offered pension schemes, which shall be approved by the managing body of the pension-insurance company;

2. care liability for the correct application of the actuary methods in the activity of the pension-insurance company;

3. (amend. – SG, 92/17, in force from 18.11.2018) care liability for the true and exact determination of the amounts of the pension and technical reserves and of all obligations to the insured persons, the pensioners and their heirs;

4. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) be liable for the correct calculation of the technical reserves under art. 213a, para 1, item 2;

5. (prev. text of item 4 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from



18.11.2018) till 31st of March every year make out and submit actuary annual report for the previous year before the managing body of the pension-insurance company and to the commission.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) The commission – by an ordinance shall determine the form of the obligatory content of the annual actuary report under Para 1, item 5.

(3) Upon execution of his/her obligations, the liable actuary shall have access to the all needed information, and the managing bodies and the officers of the pension – insurance company shall be obliged to provide assistance.

### **Bank-trustee (new, SG 67/03)**

Art. 123a. (new, SG 67/03) (1) All assets of a fund for supplementary pension insurance shall be kept in one bank-trustee on the basis of a concluded trustee contract between the pension insurance company managing the fund and the bank-trustee.

(2) (suppl. – SG 41/07) Bank-trustee of a fund for supplementary mandatory pension insurance and of a fund for supplementary voluntary pension insurance in the meaning of this code may be a bank:

1. (amend. – SG, 92/17, in force from 18.11.2018) which is a local bank or a foreign bank with the right to carry out banking activity on the territory of the country through a branch;

2. (amend. SG 39/05, amend. – SG, 92/17, in force from 18.11.2018) whose license includes performing activities of the activities under Art. 2, Para. 2, p. 9 of the Credit Institutions Act;

3. (amend. - SG 67/08, amend. – 92/17, in force from 18.11.2018) whose license includes an activity as a depository or trustee institution;

4. (amend. – SG, 92/17) whose license, activity, transactions or operations are not restricted to a degree which will impede or make impossible the appropriate fulfilment of the obligations under this code or under the contract;

5. (suppl. - SG 59/06, in force from 01.01.2007; amend. – SG 27/14, amend. – SG, 92/17) regarding which, during the last 12 months, measure under art. 103, para 2, items 16, 23 or 24 of the Credit Institutions Act have not been imposed;

6. which possesses capital, personnel and informational provision for effective fulfilment of the trustee functions according to the requirements of this code and the acts for its implementation;

7. (revoked – SG 41/07).

(3) (new – SG 41/07) A bank-trustee of a fund for supplementary voluntary pension insurance by professional schedules can be a bank:

1. under Art. 2, par. 5 of the Credit Institutions Act;

2. (amend. – SG, 92/17, in force from 18.11.2017) whose license includes an activity as a depository or trustee institution;

3.(amend. – SG, 92/17) whose license, activity, transactions or operations of which are not restricted to a level, which will make difficult or impossible the adequate fulfilment of provided by this Code or by the contract obligations;

4. which has got capital, human resources and information availabilities for effective execution of its trustee functions and obligations pursuant to the provisions of this Code and the acts related to its implementation.

(3a) (new - SG 46/18, in force from 21.05.2018) The pension-insurance company is obliged to provide upon request at the request of a person insured in a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes with instalments of a person under Art. 230, para. 3, item 2 or 3 or an insurer enterprise established under the legislation of the Republic of Bulgaria, within 7 days written information about:

1. acquiring rights on individual account funds and the consequences thereof in connection with

the termination of the legal relationship with the person under Art. 230, para. 3, item 2 or 3 or with the insurer enterprise;

2. the conditions determining the treatment of individual account funds after termination of the legal relationship under item 1 as, where a withdrawal of funds prior to the acquisition of a right to a pension is permissible, the information shall also include a written clause, that the insured person should consider the possibility to seek advice on the investment of these pension funds.

(3b) (new - SG 46/18, in force from 21.05.2018) The pension-insurance company is obliged to provide upon request to the heirs of a deceased insured person or pensioner in a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes within 7 days, written information about their due funds from the individual account of the deceased and the conditions determining the treatment of these funds.

(4) (prev. par. 3 – SG 41/07) The bank-trustee shall:

1. store and register to clients' accounts and the registers in the specialised depository institutions in the country the dematerialised securities - property of the fund for supplementary pension insurance;

2. register and store in clients' accounts and the registers in banks or in specialised depository institutions abroad the foreign securities - property of the fund for supplementary pension insurance;

3. keep all documents certifying the ownership of the dematerialised securities, as well as the liquid securities of the fund for supplementary pension insurance;

4. keep and maintain accountancy records and register for all assets individually for every fund for supplementary pension insurance, separately from the own assets and from the assets drawn in from other clients;

5. keep all payment documents certifying the receiving and investment of all monetary resources of the fund for supplementary pension insurance;

6. keep all documents and instructions received from the respective pension insurance company with respect of the investment of the resources and the storing of the assets of the fund for supplementary pension insurance.

7. (new – SG, 92/17, in force from 18.11.2017) on the first working day of every quarterly shall check the performed by the pension-insurance company assessment of the fund assets for supplementary pension insurance for the last working day of the previous quarterly, where in finding incompliance with the requirements of the ordinance and the rules under Art. 181 shall notify the pension-insurance company and shall follow for their timely removal.

(5) (prev. par. 4 – SG 41/07) All monetary resources of the fund for supplementary pension insurance shall be deposited in the bank-trustee. Within 5 working days the pension insurance company shall give to the bank-trustee written orders for the investment of the deposited monetary resources.

(6) (prev. par. 5 – SG 41/07) The bank-trustee shall carry out operations with the monetary resources, with the dematerialised and liquid securities only in the presence of a written order of the persons authorised by the pension insurance company, according to the contract.

(7) (prev. par. 6 – SG 41/07, amend. – SG, 92/17, in force from 18.11.2017) The bank-trustee shall not fulfil an order Para. 6, where it contradicts this Code and the legislative instruments on its implementation, the rules for the organization and activity of the fund for supplementary pension insurance and its investment policy.

(8) (prev. par. 7 – SG 41/07, amend. – SG, 92/17, in force from 18.11.2017) The bank-trustee shall send to the commission, at the end of each working day, information for the deposited and paid monetary resources, the concluded transactions, the assets of the fund for supplementary pension insurance, and on the first working day of every quarterly – also the data, related to the check under Para. 4, p. 7.

(9) (prev. par. 8 – SG 41/07, amend. – SG, 92/17, in force from 18.11.2017) The bank-trustee shall notify the commission about each established violation, while performing the trustee obligations,

of this code and its legislative instruments on the part of the pension insurance company. Upon request, the bank trustee shall provide to the commission the whole information, which it has in relation to the implementation of its trustee obligations.

(10) (New – SG, 92/17, in force from 18.11.2017) The bank-trustee shall be responsible before the pension-insurance company, before the fund for supplementary pension insurance, before the insured persons and pensioners about all suffered damages, which are direct and immediate result from failure to fulfil its trustee obligations, including from incomplete, incorrect and delayed fulfilment, where it is due to reasons, for which the bank trustee is responsible.

### **Contract for trustee services (new, SG 67/03)**

Art. 123b. (new, SG 67/03) (1) (Amend. and suppl. – SG, 92/17) The contract between the bank-trustee and the pension insurance company shall be presented to the commission within 3 days from the date of its conclusion and it, or of its amendment shall obligatorily contain:

1. the rights and the obligations of the bank-trustee and of the pension insurance company;
2. the order and the way of fulfilment of the obligations under item 1;
3. the responsibility of the bank-trustee, including in the cases of assigning on the part of the bank-trustee to sub-contractor's functions under this contract;
4. the remuneration paid by the pension insurance fund to the bank-trustee;
5. the order and the way of exchange of information between the bank-trustee and the pension insurance company;
6. the order and the way of terminating the contract.

(2) (suppl. – SG 41/07) A bank, included in the list under art. 12, as well as a bank under Art. 123a, par. 3, may not conclude a contract for trustee services with a pension insurance company if:

1. (amend. – SG, 92/17, in force from 18.11.2018, amend. on the entry into force - SG 15/18, in force from 21.11.2017) it is a stock-holder thereof or a person in close relations with the pension-insurance company;

2. it is his money lender or creditor;

3. (amend. and suppl. – SG, 92/17, in force from 18.11.2018, amend. on the entry into force - SG 15/18, in force from 21.11.2017) it is investment mediator with whom the company has contractual relations, or is in close relations with such investment mediator.

(3) The pension insurance company may conclude a contract for trustee services only with one bank-trustee for each of the funds for supplementary pension insurance managed by it. The bank-trustee may conclude a contract for trustee services with more than one pension insurance company.

(4) The remuneration paid to the bank-trustee under the contract for trustee services shall be for the account of the pension insurance company.

(5) (Amend. – SG, 92/17) The contract between the pension insurance company and the bank-trustee may be terminated by each of the parties upon a one-month written notice, whereas the pension insurance company shall inform the commission within 3 days from the sending or receipt of the notice. This period shall not regard the cases of obligatory prescription on the part of the commission for a change of the bank-trustee.

(6) In case of termination of the contract for trustee services the bank-trustee shall:

1. transfer all eligible and due monetary resources to an account of the pension fund in the new bank-trustee according to the instructions given by the pension insurance company;

2. fulfil the order of the pension insurance company for transferring the dematerialised securities held by it, under the register of the fund, from its account with it, to an account in the new bank-trustee, where they will be registered;

3. present, by an inventory list, to the pension insurance company, all liquid securities, ownership documents and other documents related to the fulfilment of the contract for trustee services.

(7) The bank-trustee shall carry out the actions under para 6 in time negotiated with the pension insurance company, but not longer than 30 days from the date of signing the contract for trustee services between the pension insurance company and the new bank-trustee. The pension insurance company shall submit immediately for storing in the new bank-trustee the documents under para 6, item 3.

(8) (Amend. – SG, 92/17) The procedures of changing one bank-trustee for another bank-trustee shall be carried out in a way guaranteeing the fulfilment of the trustee obligations without interruption.

(9) (Amend. – SG, 92/17) The Bulgarian National Bank, through division "Bank supervision" shall inform in due time the commission about every imposed measure or sanction restricting the licence, the transactions or the operations of the bank-trustee, to a degree which will impede or make impossible the appropriate fulfilment of the obligations stipulated by this code or by the contract.

(10) (Suppl. – SG, 92/17) If the bank-trustee is declared bankrupt the assets of the fund for supplementary pension insurance kept by it by virtue of this code, with exception of the deposits in the banks in the meaning of § 1, item 1 of the Bank Deposits Guarantee Act, shall not be included in the insolvency estate. After opening an insolvency procedure, the questor, the temporary syndic or the syndic of the bank-trustee shall be obliged, within the term not later than 5 working days from the date of signing the contract for trustee services between the pension-insurance company and the new bank-trustee to perform the activities under Para. 6 according to the given by the pension-insurance company instructions and orders.

(11) An ordinance shall be issued by the Bulgarian National Bank, upon coordination with the commission, for the implementation of art. 123a and of this article.

(12) (suppl. – SG 41/07) The Bulgarian National Bank, in coordination with the commission, shall approve lists of the banks which may be trustees of a fund for supplementary mandatory pension insurance and of a fund for supplementary voluntary pension insurance.

(13) (new – SG 41/07, amend. – SG, 92/17) The Commission shall notify the Bulgarian National Bank about any concluded contract or terminated contract for trustee within three days after acceptance of the notification of par. 1, respectively of par. 5.

### **Contract with investment mediator and with persons, authorized to carry out investment consultations on securities (amend. - SG 17/06)**

Art. 123c. (new, SG 67/03) (1) (Amend. - SG 17/06; amend. – SG 41/09, in force from 02.06.2009, amend. – SG, 92/17) The pension-insurance company shall sign a contract with an investment mediator after approval by the company managing body.

(2) (Amend. – SG, 92/17, in force from 18.11.2018, amend. on the entry into force - SG 15/18, in force from 21.11.2017) The pension insurance company may not conclude a contract with an investment mediator if he is in close relations with him.

(3) (Repealed – SG, 92/17).

(4) (new - SG 17/06; amend. – SG 52/07, in force from 01.11.2007; amend. - SG 77/11, in force from 18.11.2018, amend. - SG 15/18, in force from 16.12.2018) The pension insurance company shall obligatorily conclude contract for investment consultations on financial instruments with a person, who meets the requirements of art. 77, para. 3 of the Markets in Financial Instruments Act or art. 86 of the Act on Collective Investment Schemes and Other Collective Investment Undertakings.

(5) (new - SG 17/06) The investment consultant, who has concluded a contract under par. 4 with pension insurance company, may not be:

1. (amend. – SG, 92/17, amend. on the entry into force - SG 15/18, in force from 21.11.2017) a member of managing or control body or an authorized representative of pension insurance company or a person in close relations with them;

2. broker to a contract with investment mediator;

3. an investment consultant to a contract with investment mediator, investment company, managing company or other pension insurance company.

(6) (new - SG 17/06, amend. – SG, 92/17, amend. on the entry into force - SG 15/18, in force from 21.11.2017) The members of the managing or control body and the investment consultant of a managing company, which has concluded contract under par. 4 with pension insurance company, should not be members of managing or control body or authorized representatives of pension insurance company shall not be in close relations with them.

(7) (prev. text of par. 4, suppl. – SG 17/06, amend. – SG, 92/17) The pension insurance company shall be obliged to inform the commission about the contracts under para 1 and 4 within 7 days from their conclusion or from their termination.

### **Contract with an insurance mediator (new, SG 67/03)**

Art. 123d. (new, SG 67/03, amend. – SG, 92/17) (1) The pension insurance company may conclude contracts with insurance mediators - natural or legal persons. The insurance mediators – natural persons shall not authorize other persons for performing the activity on insurance mediation, realized by them.

(2) The insurance mediator and the pension-insurance company shall not sign contract, where the mediator has already signed contract with another pension-insurance company. The insurance mediator – legal person shall not be able to authorize a person, who has been authorized by another insurance mediator – legal person for the same activity.

(3) The employer shall be an insurance mediator of the pension-insurance company in relation to his workers and employees.

(4) Insurance mediators – natural persons and the persons, authorized by the insurance mediators – legal persons shall have the right on behalf and at the expense of the pension – insurance company to sign insurance contracts and to mediate during signing insurance and pension contracts and contracts for payment in instalments of funds, as well as accept individual applications for supplementary pension insurance for recovery of the insurance in a universal pension fund for change of participation and for transfer of funds, as well as other applications and requests by insured persons, by pensioners and other right-holding persons. They shall not collect insurance contributions and carry out payments of insured persons, pensioners and other right-holding persons.

(5) Insurance mediators – natural persons and legal persons, as well as the persons, authorized by insurance mediators – legal person shall be entered by the commission deputy chairperson in the register under Art. 30, Para. 1, p. 14 of the Financial Supervision Commission Act.

(6) The insurance mediators – natural persons and the persons, authorized by insurance mediators – legal persons must:

1. have not lower than high school education;
2. have not been convicted for premeditated crimes of general nature;
3. have not been punished administratively during the last 3 years for rude or permanent violations of this Code or the instruments on its implementation;
4. have not been deprived from the right to:
  - a) occupy materially-responsible position;
  - b) exercise a certain profession or activity in the area of finances, of insurance;
5. have passed training in supplementary pension insurance, organized by the relevant pension - insurance company.

(7) Persons, who manage and represent insurance mediators – legal persons must meet the requirements of Para. 6, p. 1 – 4.

(8) While performing their activity, the insurance mediator – natural person and the person, authorized by an insurance mediator – legal person, must:

1. identify themselves with the document under Para. 12 and provide to the relevant person contact data;

2. observe the principle of free choice of a fund;

3. give assistance to the person, submitting application for supplementary pension insurance or application for change of participation and for transfer of funds from one to another fund for supplementary pension insurance and follow that no damage of his interests is admitted;

4. explain to the persons in good will with the needed care the rights and obligations under the insurance contracts and provide true and exact information about the relevant pension – insurance company and the funds, managed by it for supplementary pension insurance and not give promises or make proposals on future profitability from investment of the funds of the relevant fund;

5. observe the personal data of the insured persons, by not using the received information for purposes, not related to exercising the rights and implementation of the obligations under the contract for insurance mediation;

6. keep commercial secret and commercial prestige of the pension-insurance company, with which he has signed contract for mediation activity and not provide untrue, incomplete or misleading information about other pension-insurance companies.

(9) The pension-insurance company shall be obliged to provide training of the natural persons, with whom it will sign contract for activity on insurance mediation, as well as of the persons, who the insurance mediators – legal persons intend to authorise for performing the activity on insurance mediation.

(10) The pension-insurance company shall sign contract with an insurance mediator or give consent for authorization of a person for performing activity on insurance mediation, after finding that the requirements of Para. 6 or Para. 7 have been met.

(11) The pension-insurance company shall notify the commission about signing every contract with an insurance mediator, as well as authorization of a natural person by an insurance mediator – legal person within 7- day term.

(12) The pension-insurance company shall provide for every insurance mediator, or the persons, authorized by insurance mediators – legal person with a document, which should identify them while exercising their activity. The standard form of the document shall be confirmed by the commission deputy chairperson.

(13) The pension-insurance company shall be obliged to exercise control for the compliance of the insurance mediators and the authorized by them persons with the requirements of this Code, to perform regular checks for the lawful performing their activity in the frames of the contract, signed with them, or of their authorization, as well as to create the needed organization for preliminary and follow up training and instructions.

(14) The pension-insurance company shall be responsible before the insured persons, before the pensioners and their heirs for the actions of the insurance mediators and the persons, authorized by them in relation to the activity on supplementary pension insurance as own actions.

(15) The pension-insurance company shall be obliged to terminate the contract with the insurance mediator, in case of finding that:

1. before the company untrue data or documents for certification of compliance with Para. 6 or 7 have been produced;

2. the insurance mediator has ceased to meet the requirements of Para. 6 or 7;

3. the authorized person has ceased to meet the requirements of Para. 6 and the insurance mediators – legal person has not withdrawn the authorization within 3-day term from the notification.

(16) The pension-insurance company shall notify the commission about every termination of a contract for insurance mediation and for every withdrawal of authorization of a natural person, authorized by an insurance mediator – legal person within 7-day term.

(17) (amend. SG - 15/18, in force from 16.02.2018) Where the insurance mediator or the

authorized person perpetrates violation of Para. 8, p. 2, 4, 5, or 6 or other rude or permanent violations of this Code, or of the instruments of its implementation, the commission shall be obliged the pension-insurance company to terminate the contract with the insurance mediator – natural person or with the insurance mediator – legal person, where the authorisation has not been withdrawn. The same measure shall apply also in the case of violation of Para. 2.

### **Revenue of the company (new, SG 67/03)**

Art. 123e. (new, SG 67/03) (1) The revenue of the pension insurance companies shall be formed by fees and charges determined by this code, as well as by the management of their own assets.

(2) The pension insurance company may distribute profit among its stock holders from the management of the funds for supplementary pension insurance and of its own assets by the order of the Commerce Act and this code.

### **Management system**

Art. 123f. (New – SG, 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) The pension-insurance company shall be obliged to have an effective management system, which should provide reliable and reasonable management of the activity of supplemental pension insurance.

(2) The management system must comply with the nature, volume and complexity of the activity of the pension-insurance company and include adequate and transparent organizational structure with clear distribution and suitable division of responsibilities and effectiveness in providing information.

(3) The pension-insurance company shall be obliged to carry out review of the management system and to introduce changes in it, - where necessary for achieving the objectives under Para. 1.

(4) The management body of the pension-insurance company shall adopt:

1. management and organizational structure of the pension-insurance company, which shall define, including:

a) the activity of the organizational units;

b) the head positions apart from the positions under Art. 121e, Para. 5, as well as their functions and powers;

c) the distribution of the functions and powers among the executive directors, as well as the distribution of the functions among the management body members;

2. business plan for the activity of the pension-insurance company for the term of 3 years, which shall be updated annually by 31 March every year;

3. rules on the organization and activity of every managed fund for supplemental pension insurance;

4. the investment policy of every managed pension fund;

5. the rules for:

a) the risk management, related to the activity of the pension-insurance company;

b) internal control;

c) operative control, including rules and procedures for fulfillment and accounting the activity of the organizational units;

d) internal audit;

e) the public announcement of information and provision of information to the supervision body and to the insured persons;

f) personal transactions;

g) establishment and prevention of conflict of interest;

h) the relations with the insurance mediators and the other persons, with whom contracts have

been signed for realization of certain activities;

i) the assessment of the assets and liabilities of the pension-insurance company and of the managed by it funds for supplementary pension insurance;

j) other activities upon estimation of the management body or where it has been provided by this Code, act or other normative act;

6. the policy of remunerations of the persons under Art. 123o, Para. 1;

7. the accountancy policy of the pension-insurance company and of the managed by it funds for supplementary pension insurance;

8. policy for identification of the related persons with the pension-insurance company and the elements, in which funds of the funds for supplementary pension insurance have been invested.

(5) Unless this Code provides otherwise, the management body shall review at least once a year the documents under Para. 4, shall introduce amendments or additions in them, where needed and shall produce before the shareholders general meeting an annual report on the activity of their application. The pension-insurance company shall produce the report to the commission within 7- day term from its review at the general meeting.

(6) The pension-insurance company shall undertake reasonable measures, which should guaranty continuity and regularity while performing its activity, including by developing action plans during extraordinary situations. For this purpose, the pension-insurance company shall use suitable and corresponding to the volume, nature and complexity of its activity systems, resources and procedures.

(7) Within the frames of the management system, the pension-insurance company shall create:

1. risk management function;

2. internal control function;

3. internal audit function;

4. actuary function.

(8) Function in the meaning of Para. 7 shall be the internal capacity for implementation of practical tasks.

(9) The organizational structure under Para. 4, p. 1 shall define the organization of the functions under Para. 7.

### **Risk management, internal control and internal audit**

Art. 123f<sup>1</sup>. (New – SG, 92/17, in force from 18.11.2018) (1) The pension-insurance company must have a risk management system, which should cover strategies, processes and procedures for reporting, in view to continuous identification, measurement, follow up and risk management (separately, in its thoroughness and in their interdependence) to which are exposed or would be exposed the company and the funds for supplementary pension insurance, managed by it.

(2) The risk management system must be effective and well-integrated in the organizational structure and in the processes for decision making of the pension-insurance company, where in a suitable way is taken in consideration by the persons under Art. 121e, Para. 5 and by the persons, who realize the risk management function.

(3) The risk management function of the pension-insurance company shall be realized by the risk management unit and shall be structured in such a way, that it should assist for the application of the risk management system.

(4) The pension-insurance company shall be obliged to build up internal control systems, which should guaranty, that the activity on the supplementary pension insurance, including where the realization of a part of it has been assigned under a contract to a third person shall be carried out in compliance with:

1. the normative provision;

2. the provision of the internal documents, adopted by the company, under the requirements of



this Code or of a legislative instrument of its implementation;

3. the signed contracts;

4. the principles of economy, efficiency and effectiveness of the activities.

(5) The internal control shall be thorough and continuous process, integrated in the activity of the pension-insurance company, which is realized according to the accepted system for management by the management and control bodies, by the heads at all management level, as well as by all other persons, working under a contract with the pension-insurance company.

(6) The internal control function of the pension-insurance company shall be realized by a specialized office for internal control.

(7) The internal control function of the pension-insurance company shall be objective and independent from the other operative functions, shall be performed by a separate person or a specialized unit and shall include assessment of the adequacy and effectiveness of the internal control system and of the other elements of the management system.

(8) The heads of the risk management unit, the office of internal control and the specialized unit of internal audit (or the person, realizing the internal audit, where the activity n internal audit is exercised by him independently) must have suitable qualification and experience in the relevant areas and meet the requirements of Art. 121e, Para. 5, p. 3-12.

(9) The heads of the risk management unit and of the office of internal control shall be elected and discharged by the management bodies of the pension-insurance company. The head of the specialized unit of internal audit, or the person, releasing the internal audit shall be elected and discharged by shareholders general meeting of the pension-insurance company.

(10) The commission shall define by an ordinance the functions and obligations of the units and offices and of the persons under Para. 3, 6 and 7.

#### **Informational system (new, SG 67/03)**

Art. 123g. (new, SG 67/03; amend. – SG 19/10) For its activity on supplementary pension insurance the company shall create and maintain an informational system which shall meet the requirements determined in an ordinance of the commission.

(2) (amend. – SG 100/10, in force from 01.01.2011) The information system shall provide possibilities for electronic exchange of information in compliance with the rules, specified by the Administrative Commission under Art. 71 Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems, as well as for the national exchange of information accompanying it.

(3) (New – SG, 92/17) The information system of the pension-insurance company must provide possibility for establishment and maintenance of a single electronic file of every insured person or pensioner in the managed by the company pension funds, which shall contain all available data of the person, including electronic image of the submitted by him applications and requests and acts of the company in relation to them.

#### **Submitting information (new, SG 67/03)**

Art. 123h. (new, SG 67/03, amend. – SG 92/17, in force from 18.11.2018) The pension-insurance company shall be obliged to:

1. to introduce to the insured persons and the persons under Art. 230, Para. 3, p. 2 – 4 and Para. 4, p. 1 the rules of the fund for supplementary pension insurance and all its amendments and supplements, as well as to provide them upon request a certifies copy of it;

2. before signing the insurance contract to provide to the opposite party on the contract updated information on the basic characteristics of the fund and on the participation in it;

3. to submit free to the insured person by 31 May of every year an excerpt of their individual files for the previous calendar year;

4. apart from the case under p. 3, to provide opportunity for every insured person in the fund, upon request to receive information about his individual file;

5. to provide to the insured person upon request information about the reached real yield on their individual files.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes, shall present to the persons, insured in this fund, and the ones entitled under a professional scheme, not only the information under para 1, but also:

1. everyday information on:

a) every change in the scheme, ensuing from amendments and supplements in the statutory regulations or in the Regulation for the organisation and the activity of the fund for additional voluntary pension insurance under professional schemes;

b) the amount of the accumulated resources, the types of payments and the manners of their receipt at acquiring right of the relevant kind of pension;

c) the risks at investment and at management of professional scheme and the persons, undertaking these risks.

2. upon request:

a) annual financial account and the annual report under art. 252, para 2 for the scheme, under which they are insured;

b) information under art. 251c regarding the investment policy of the fund for additional voluntary pension insurance under professional schemes and with respect to the structure of the investment portfolio;

c) information of the procedure and the manner of transfer of the accumulated resources to their individual accounts in funds for additional voluntary pension insurance under professional schemes, managed by another pension insurance company, at termination of the activity, on the grounds of which they are insured under the respective professional scheme.

d) (new – SG 41/07) detailed and essential information related to the level, which pension payments must achieve according to the conditions of the respective professional schedule – in case of carrying out of business abroad;

e) (new – SG 41/07) the amount or payments in case of termination of insurance in compliance with the respective professional schedule – in case of carrying out of activity abroad.

(3) (New – SG, 92/17, in force from 18.11.2018) The pension-insurance company shall be obliged upon request to issue to every insured person or pensioner a unique identifier, which should provide electronic access to the data in his individual file and to allow him to make references and follow his insurance history.

(4) (prev. text of para 2 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, former Para. 3 – SG, 92/17, in force from 18.11.2018) The pension insurance fund, the insurance mediators and the persons authorised by them may not submit to third persons the information they have for the insured persons, the pensioners, their legatees and the insurers, with exception of the cases stipulated by other laws.

(5) (new – SG 109/13, in force from 01.01.2014, former Para. 4 – SG, 92/17, in force from 18.11.2018) Pension insurance companies shall provide the Executive Director of the National Revenue Agency with information on the income under Art. 143h, para 1, item 4 of the Tax-Insurance Procedure Code which were paid/charged to persons resident in another Member State of the European Union by April 30 of the year following the year of payment/charge of the income pursuant to Art. 73a, para 2 of the Income Taxes on Natural Persons Act.

(6) (New – SG, 92/17, in force from 18.11.2018) The documents and information under Para. 1, p. 2 – 5 shall be drawn up under standard forms, confirmed by an ordinance of the commission.

(7) (New – SG, 92/17, in force from 18.11.2018) The applicable method for calculation of the yield under Para. 1, p. 5 shall be defined by the ordinance under Art. 180, Para. 2.

(8) (New - SG, 92/17, in force from 18.11.2018) The information under Para. 1 and 2 shall be provided in writing and shall be signed by an authorized official of the company, with the exception of the information under Para. 1, p. 3 and Par. 2, p. 1. Upon agreement with the insured person, the information may be submitted under the Electronic Document and Electronic Signature Act, signed by qualified electronic signature by the pension-insurance company.

(9) (New - SG, 92/17, in force from 18.11.2018) The pension-insurance company shall be obliged upon request to provide within 7-day term to the insured person, the pensioner, or a successor of the insured person or the pensioner, a copy of an electronic document in his electronic file on paper or electronic media.

(10) (New - SG, 92/17, in force from 18.11.2018) The pension-insurance company shall be obliged within 7-day term from the request to provide for the pensioner, or his successors a certified copy of the pension contract under Art, 169a.

(11) (New - SG, 92/17, in force from 18.11.2018) The National Revenue Agency shall provide at the end of each quarterly to the relevant pension-insurance companies and to the commission information on the died insured persons and pensioners in the managed by the companies' funds for supplementary obligatory pension insurance.

### **Requirements for the advertising (new, SG 67/03)**

Art. 123i. (new, SG 67/03) (1) The pension insurance company shall be obliged:

1. not to advertise products and services which they do not provide at the moment, as well as future profitability of the investments;

2. not to hide or conceal substantial facts and circumstances and not to include in its advertising unclear formulations of achieved results, untrue or misleading data;

3. not to organise lotteries.

(2) (Repealed – SG, 92/17, in force from 18.11.2018)

(3) All expenses related to the advertising of the pension insurance company and the funds for supplementary pension insurance managed by it shall be for the account of the pension insurance company.

(4) (New – SG, 92/17, in force from 18.11.2018) The pension-insurance company shall not disseminate, make public on its website or include in the contents of its advertising and written information materials information, drawn up by other persons, which does not meet the requirements, provide by the ordinance under Para. 6. The materials, containing such information shall not be disseminated also by other person on behalf of the company or with the participation of its representatives.

(5) (New – SG, 92/17, in force from 18.11.2018) The advertising and information materials of the pension-insurance company, containing description of the characteristics, products, services or results from the activity of the funds for supplementary voluntary pension insurance must include information, that with the management of the assets of the relevant fund shall not be guaranteed positive yield and keeping in full amount the contributed funds on the individual files.

(6) (New – SG, 92/17, in force from 18.11.2018) The commission shall define by an ordinance the requirements to the advertisement and the written information materials and the website of the pension-insurance company.

### **Obligation for storage**

Art. 123i<sup>1</sup>. (New – SG, 92/17, in force from 18.11.2018) (1) The original documents on paper

and the electronic documents, as applications, (for selection of a pension funds, for change of the participation, for recovery of insurance in a universal pension fund, for transfer or drawing of funds, etc.) contracts (insurance, pension and for delayed payment) orders and other acts of the pension - insurance company for defining the amount of single and periodic payments, as well as of the other documents, data and information of significance for exercising the rights of the insured persons, pensioners or their successors, shall be stored by the pension-insurance company for the term, not shorter than 50 years, starting from termination of the relevant insurance legal relations.

(2) The pension-insurance company shall store, use and destroy the documents and data, related to the activity of supplementary pension insurance in a procedure, defined by an ordinance of the commission.

(3) The pension-insurance company shall store the documents, which are of classified information, under the requirements of the Protection of Classified Information Act.

### **Section III.**

#### **Companies for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)**

##### **Definition (new, SG 67/03)**

Art. 123j. (new, SG 67/03) (1) The companies for additional voluntary insurance for unemployment and/or professional qualification, called hereinafter "insurance companies for unemployment and/or professional qualification", shall be joint-stock companies licensed by the order of this code and registered according to the Commercial Law.

(2) The insurance companies for unemployment and/or professional qualification shall have subject of activity only additional voluntary insurance for unemployment and/or professional qualification.

(3) The insurance companies for unemployment and/or professional qualification may not carry out commercial transactions which are not directly related to their activity.

(4) The insurance companies for unemployment and/or professional qualification may found non-profit associations for presentation of their common interests and for realisation of joint projects.

(5) The insurance companies for unemployment and/or professional qualification shall not have the right to participate in civil companies and trade companies as unlimited liable partners, as well as to acquire assets in other insurance companies for unemployment and/or professional qualification.

(6) The insurance companies for unemployment and/or professional qualification shall develop their activity in accordance with the provisions of this code and in compliance with its statutes and the regulations of the funds for additional voluntary insurance for unemployment or professional qualification managed by them.

##### **Stocks and capital (new, SG 67/03)**

Art. 123k. (new, SG 67/03) (1) The insurance companies for unemployment and/or professional qualification may issue only nominal dematerialised stocks with a right of one vote.

(2) The minimal size of the capital of the insurance companies for unemployment and/or professional qualification shall be 500 000 BGN.

(3) The capital shall be paid up in full in cash by the moment of filing the application for obtaining licence for carrying out activity on additional voluntary insurance for unemployment and/or professional qualification.

(4) The insurance companies for unemployment and/or professional qualification shall possess, at any time, own capital (capital base) of size not less than 50 percent of the minimal capital under para 2.

(5) The insurance companies for unemployment and/or professional qualification may not distribute dividends of sizes and in a way which would lead to violation of the requirements of para 4.

(6) (Amend. – SG, 92/17, in force from 18.11.2018) When the own capital (capital base) of the insurance company for unemployment and/or professional qualification drops below the size determined by para 4 it shall inform within three days the commission, presenting also a recovery programme for bringing, within three months, the own capital in compliance with the requirements of the code.

(7) (Amend. – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairperson shall approve or refuse the approval of the recovery programme within 7 days from its receipt.

(8) During the period of fulfilment of the recovery programme the insurance companies for unemployment and/or professional qualification may not distribute dividends.

(9) (Amend. – SG, 92/17, in force from 18.11.2018) For non-approval of the programme or for non-fulfilment of the approved programme the commission shall undertake the actions under art. 344, para 2, item 7.

(10) The requirements for the content and the structure of the own capital (capital base) of the insurance companies for unemployment and/or professional qualification and for the minimal liquid resources of the companies and the funds for supplementary voluntary insurance for unemployment or for professional qualification managed by them shall be determined by the ordinance under art. 121c, para 10.

#### **Name of the company (new, SG 67/03)**

Art. 123l. (new, SG 67/03) (1) The name of the insurance company for unemployment and/or professional qualification shall obligatorily contain in combination the words "additional", "voluntary", "insurance", "for unemployment" and "for professional qualification" or their derivatives.

(2) Companies which do not hold licence for carrying out activity on additional voluntary insurance for unemployment and/or professional qualification may not use in the name of the company a combination of the words under para 1 or their equivalents in Bulgarian or foreign language.

#### **Applicable provisions (new, SG 67/03)**

Art. 123m. (new, SG 67/03) For unsettled issues regarding the founding, licensing, management, representation and activity of the insurance companies for unemployment and/or professional qualification, including for the contracts with a bank-trustee and with the persons under art. 123c, shall apply the provisions of chapter nine, section II.

### **Section IV.**

#### **Remuneration policy of the supplementary social insurance company (new – SG 21/12)**

##### **Remuneration Policy**

Art. 123n. (new – SG 21/12) (1) The supplementary social insurance company shall adopt and implement remuneration policy for the persons employed there.

(2) The commission shall define by an ordinance the requirements to the remuneration policy and the manner of its announcement.

### **Division two.**

#### **Supplementary compulsory pension insurance (new, SG 67/03)**

### **Order for implementation**

Art. 124. (1) (amend. and suppl. – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 15.08.2015) Additional obligatory pension insurance shall be performed under the terms and conditions of this Section on the grounds of a contract concluded between the insured person and a pension insurance company or on the basis of official distribution under Art. 137, para 4, and Art. 140, Para 4.

(2) (amend. – SG 107/14, in force from 01.01.2015; suppl. - SG 61/15, in force from 15.08.2015, suppl. – SG, 92/17) Insurance relationship with the pension insurance company commences as of the date of signing the first insurance contract or as of the date of the ex officio allocation to a fund for supplementary obligatory pension insurance.

(3) (new – SG 107/14, in force from 01.01.2015, suppl. – SG, 92/17) The insurance legal relation shall be terminated from the first day of the month following the month of the insurance choice if the person has chosen to be insured only in "Pensions", or in fund "Pensions for persons under Art. 69" fund of the state public insurance.

### **Choice of resuming the insurance by the persons referred to in Art. 4b, Para 1, into a universal pensions fund**

Art. 124a. (new - SG 61/15, in force from 15.08.2015) (1) The persons referred to in Art. 4b, Para 1, that have chosen to change their insurance from a universal pension fund to the "Pensions" Fund, respectively the "Pensions of the persons under Art. 69" Fund, may choose to resume their insurance in a universal pensions fund not later than 5 years before the age referred to in Art. 68, Para 1, and provided that they have not been granted a pension for pensionable service and age.

(2) The persons under Para 1 may exercise their right of choice after the expiry of one year following the choice under Art. 4b, Para 1.

(3) (Amend. – SG, 92/17, in force from 01.01.2018) The choice shall be carried out by an individual application, submitted by the person, to the pension-insurance company, managing the fund, in which he wishes to participate. Together with submission of the application, the person shall sign an insurance contract with the company. The contract shall cause an action, under the condition, that the requirements of Para. 1 and 2 have been fulfilled, where the insurance legal relation shall occur from the first day of the month, following the choice.

(4) (Amend. – SG, 92/17, in force from 01.01.2018) The order and manner of collecting and allocating the insurance payment in respect of the persons under Para 1 shall be set out in the ordinance under Art. 179, Para 3 of the Tax-Insurance Procedure Code.

(5) (New – SG, 92/17, in force from 01.01.2018) The procedure for submission of the application under Para. 3, sentence one and the requirements to its contents shall be defined by an ordinance of the commission.

### **Occurrence of insurance legal relations in case of change of participation**

Art. 124b. (New – SG, 92/17) In case of change of the participation of the insured person from one to another relevant fund for supplementary obligatory pension insurance the legal relation with the company, managing the fund, in which the person passes, shall occur from the date of transfer of the funds in his individual file, where the legal relation with the company, managing the fund, in which the person has been insured, shall be terminated from the same date.

### **Principles**

Art. 125. (1) The supplementary compulsory pension insurance shall be implemented on the basis of the principles of:

1. (suppl. – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 15.08.2015, suppl. – SG 92/17) obligatory participation, except for the persons insured pursuant to Art. 4b, Para 1, or Art. 4c, Para 1, in the "Pensions" Fund or in fund "Pensions for the persons under Art. 69";

2. legal independence of the pension insurance company and of the universal and the professional pension funds;

3. transparency, separation and exclusivity of the activity;

4. permission regime and state regulating;

5. obligatory regular accounting and presenting of information;

6. loyal competition between the pension insurance companies;

7. representation of the interests of the insured persons.

(2) (Amend. and suppl. – SG, 92/17) The supplementary mandatory pension insurance in the universal and in the professional pension funds shall be implemented through pension schemes on principle of capital coverage on the basis of the defined payments.

### **Management of the resources of the pension fund**

Art. 126. (suppl. – SG 17/06) The resources of the pension fund shall be managed by the pension insurance company with the care of the good husbandry observing the principles of reliability, liquidity, profitability and diversification in the interest of the insured persons.

### **Insured persons**

Art. 127. (1) (amend., SG 64/00; amend., SG 67/03; amend. – SG 100/11, in force from 01.01.2012; suppl. – SG 107/14, in force from 01.01.2015, amend. and suppl. – SG, 92/17) The persons born after December 31, 1959 shall obligatory be insured for supplementary pension in a universal pension fund if they have been insured in Pensions Fund, or in fund Pensions for the persons under Art. 69 of the state public insurance, except for the persons insured pursuant to Art. 4b.

(2) (suppl. – SG 100/11, in force from 01.01.2012, suppl. – SG, 92/17) The persons working under the conditions of first and second category of labour who are insured in Pensions Fund of the state public insurance shall also obligatory be insured in a professional pension fund for pension for early retirement regardless of the age with the exception of the persons, insured under Art. 4c in Pensions Fund.

(3) (amend. – SG 106/13, in force from 01.01.2014; suppl. – SG 107/14, in force from 01.01.2015; revoked - SG 61/15, in force from 15.08.2015)

(4) (new, SG 119/02; amend., SG 67/03; in force from January 1, 2004) From January 1, 2004 the persons under art. 4, para 1, item 4 shall be insured for a supplementary pension in a universal pension fund.

(5) (new, SG 67/03; suppl. – SG 43/08, in force from 01.01.2008; amend. – SG 99/12, in force from 01.01.2013; amend. - SG 79/15, in force from 01.01.2016) The employees of the State Intelligence Service, office "Military information" of the Ministry of Defence and the State National Security Agency shall not be insured for an supplementary pension in a universal pension fund.

(6) (new – SG 107/14, in force from 01.01.2015; revoked - SG 61/15, in force from 15.08.2015)

(7) (new – SG 107/14, in force from 01.01.2015; revoked - SG 61/15, in force from 15.08.2015)

(8) (new – SG 107/14, in force from 01.01.2015; revoked - SG 61/15, in force from 15.08.2015)

### **Personal insurance**

Art. 128. (1) (prev. art. 128 – SG 1/02) The supplementary compulsory pension insurance shall be personal. Each insured in a universal and in a professional pension fund shall have individual

insurance number and individual insurance file.

(2) (new – SG 1/02; amend., SG 67/03, amend. - SG 105/05, in force from 01.01.2006) Regarding the persons of art. 4, para 1, item 4 the National Revenue Agency and the pension insurance companies shall keep the data in individual registers according to the Protection of Classified Information Act.

(3) (new, SG 67/03, amend. - SG 105/05, in force from 01.01.2006) The data for the persons under para 2 shall be submitted by an order determined by the executive director of the National Revenue Agency and the chairman of the State Commission for Security of the Information.

### **Individual account (amend., SG 67/03)**

Art. 129. (amend., SG 67/03) (1) (Amend. – SG, 92/17 In the individual account of each insured person shall be written and accumulated by the date of the receipt to the account of the fund:

1. the payments for supplementary obligatory pension insurance and the paid sums from interests over them;
2. the money, transferred from another fund for supplementary obligatory pension insurance;
3. the money, transferred from the State fund for guaranteeing sustainability of the state pension system.

(2) (Amend. – SG, 92/17) Every insured person may have only one individual account in a universal, respectively in a professional pension fund. Entries shall be made in the individual account for the instalments made and the other received in it funds for the paid off and transferred sums as well as for the collected fees and charges.

(3) (Amend. – SG, 92/17) The individual account shall be in levs and shares. The instalments for supplementary mandatory pension insurance and the resources transferred from another fund, as well as the other received in the file sums shall be accounted in shares and in parts of shares.

(4) The charges, as a percentage of each insurance instalment, shall be made before determining the shares under para 3.

(5) Each share shall represent a proportional part of the net assets of the fund. The shares of one fund shall be equal in value, determined and announced according to para 9.

(6) The value of all shares and parts of shares of the fund shall be equal to the value of the net assets of the fund.

(7) The revenue from investing the resources of the fund shall be included in determining the value of one share according to para 5.

(8) Not admitted shall be re-distribution of resources and shares between the individual accounts.

(9) (Suppl. – SG, 92/17, in force from 18.11.2018) The order and the way of calculating and announcing the value of one share, as well as the requirements for keeping the individual accounts shall be determined by the ordinance under art. 181, Para 2.

(10) On the date of receipt of the first instalment in the fund for supplementary mandatory pension insurance or on the day of the first accounting of the accumulated resources in the individual accounts in shares the value of one share shall be equal to 1 lev.

(11) The accumulated resources in the individual account of the insured persons shall not be subject to enforcement.

(12) (new - SG 61/15, in force from 15.08.2015) Upon change of the insurance from a universal pension fund into “Pensions” Fund, respectively “Pensions of the persons under Art. 69” Fund, the funds incurred unto the individual share of the insured persons shall be transferred into the State Fund of Guaranteeing the Stability of the State Pension System.

(13) (new - SG 61/15, in force from 15.08.2015, suppl. – SG, 92/17) The funds accrued in the individual share of the insured persons under Para 1, made choice under Art. 4b shall be transferred



from the universal pension fund to an account of the National Revenue Agency within 6 months from the beginning of the insurance in the “Pensions” Fund or the “Pensions of the persons under Art. 69” Fund respectively.

(14) (new - SG 61/15, in force from 15.08.2015) Upon change of the insurance from the “Pensions” Fund, respectively “Pensions of the persons under Art. 69” into a universal pension fund, provided that in respect of the person there are funds transferred to the State Fund of Guaranteeing the Stability of the State Pension System, these funds shall be transferred to his individual share in the universal pension fund chosen by him.

(15) (New – SG, 61/15, in force from 15.08.2015, amend. – SG, 92/17) IN case of granting pension under Part one or in case of death of person, for which the funds under Para. 12 have been transferred, they shall be transferred to Pension Fund, or Pension Fund for the persons under Art. 69 of the state public insurance.

(16) (new - SG 61/15, in force from 15.08.2015) The operations referred to in Para 12 - 15 shall be for the account of the budget relations with the central budget and/or funding under Art. 154, Para 16 of the Act on the Public Finances.

(17) (new - SG 61/15, in force from 15.08.2015) The funds accrued in the individual shares of the persons under Art. 4c, Para 1, shall be transferred to the “Pensions” Fund within 6 months from the choice.

(18) (new - SG 61/15, in force from 15.08.2015, amend. – SG, 92/17) The Minister of Finance shall determine the order and method of performing and accounting the operations related to accounts of the National Revenue Agency, the central budget, the State Fund of Guaranteeing the Stability of the state pension system and the budget of the state social insurance, arising from the application of Para 12 - 16.

(19) (new - SG 61/15, in force from 15.08.2015; amend. - SG 98/15, in force from 01.01.2016) The order and method of transferring the funds accrued under Para 13, 14 and 17 and the exchange of information (data) shall be set out in the ordinance referred to in Art. 179, Para 3, of the Tax-Insurance Procedure Code.

### **Insured social risks**

Art. 130. (revoked, SG 67/03)

### **Extent of the pension**

Art. 131. (prev. art. 131 – SG 1/02) The pension shall be determined on the basis of the accumulated sums in the individual file from the payments made and the incomes from their investment, decreased with the fees and the deductions provided in this division, and depending on the duration of life after retirement in compliance with the bio-metric tables.

(2) (new – SG 1/02) When the extent of the pension is up to 20 percent of the social pension for old age, the sum shall be paid to the pensioner at one time or deferred at the acquiring of the right.

### **State regulation and control**

Art. 132. (revoked, SG 67/03)

## **Chapter ten.**

## **FUNDS FOR SUPPLEMENTARY COMPULSORY PENSION INSURANCE (TITLE AMEND., SG 67/03)**

### **Establishing, management and representation of the pension funds**

Art. 133. (1) (amend., SG 67/03) The supplementary compulsory pension insurance shall be implemented through participation in universal and/or professional pension funds established and managed by licensed pension insurance companies by the order of this code.

(2) The universal and the professional pension funds shall be represented in their relations with third persons by only licensed pension insurance companies.

(3) The pension insurance companies and the universal and the professional pension funds shall be separate corporate bodies.

(4) The pension insurance companies shall be able to establish and to manage only one universal and one professional pension fund.

(5) The universal and the professional pension funds shall be established for unlimited time.

### **Responsibility of the pension insurance funds**

Art. 134. (1) (amend., SG 67/03, amend. – SG, 92/17) The pension insurance company shall be proprietary responsible before the insured persons and the pensioners for losses occurred as a result of unconscientious implementation of its obligations with regard to the management and the representation of the corresponding pension funds. In case of insolvency in the mass of the insolvency of the pension insurance company shall not be included the assets for covering the pension reserve of art. 192, para 2.

(2) The pension funds shall not be responsible with their assets for losses occurred as a result of actions of the companies established them as well as for losses from the activity of the pension insurance company that manages and represents them.

### **Name of the pension fund**

Art. 135. (1) The name of the pension fund shall obligatory contain in combination the words "pension", "professional" or "universal" and "fund" or their derivatives as well as indication of its type.

(2) Only a fund registered in compliance with this code can use in its name, in the description of its activities or in advertising in combination the words "pension", "professional" or "universal and "fund" or their derivatives.

### **Prohibition for acquisition by prescription**

Art. 136. Assets of a universal and/or professional pension fund cannot be acquired by prescription.

### **Universal pension fund**

Art. 137. (1) (Amend. – SG, 92/17) Universal pension fund shall be established by a licensed pension insurance company with a decision of the shareholders general meeting.

(2) The licensed pension insurance company can establish only one universal pension fund.

(3) (suppl. – SG 56/06, in force from 15.07.2006; amend. – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 15.08.2015, amend. – SG, 92/17) The insured persons shall participate in a universal pension fund with individual application to the pension insurance company, submitted within three months from occurrence of the insurance obligation.

(4) (\*) (amend., SG 8/03; SG 67/03; amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006; amend. – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 15.08.2015) Persons who have not chosen a universal pension fund as set out in para 3 shall allocated ex officio to the registered universal pension funds in a manner and order determined by the National

Revenue Agency and the commission.  
(5) (revoked, SG 67/03)

### **Minimum number of participants in a universal pension fund**

Art. 138. (revoked, SG 67/03)

### **Rights at insurance in a universal pension fund**

Art. 139. (1) The insurance in a universal pension fund shall give right to:

1. (amend., SG 67/03, amend. SG - 15/18, in force from 16.02.2018) supplementary pension for life under the conditions of Art. 167;

2. (amend. SG 1/02; amend., SG 67/03; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, suppl. – SG, 92/17) onetime, or delayed payment of up to 50 percent of the resources accumulated in the individual account for permanently reduced ability over 89,99 percent;

3. one time or deferred payment of sums to the heirs of a deceased insured person and of a pensioner under the conditions of this division.

(2) (revoked, SG 67/03)

### **Professional pension fund**

Art. 140. (1) (Amend. – SG, 92/17) A professional pension fund shall be established by a licensed pension insurance company with a decision of its shareholders general meeting.

(2) The licensed pension insurance company can establish only one professional pension fund.

(3) (suppl. – SG 56/06, in force from 15.07.2006) The insured persons shall participate in a professional pension fund with a personal application to the pension insurance company, submitted in three months term after the occurrence of the obligation for insuring. The order for submitting the application and the requirements to its form and contents shall be determined by the ordinance under art. 137, para 3.

(4) (\*) (amend., SG 8/03; amend., SG 67/03; amend., SG 112/03, amend. - SG 105/05, in force from 01.01.2006) For the persons who have not chosen professional pension fund by the order of para 3 shall be implemented official distribution in the registered professional funds in a way and by order determined by the National Revenue Agency and the commission.

(5) (revoked, SG 67/030)

### **Participants in a professional pension**

Art. 141. (revoked, SG 67/03)

### **Rights at insurance in a professional pension fund**

Art. 142. (1) The insurance in a professional pension fund shall give right to:

1. (amend. – SG 100/10, in force from 01.01.2011) fixed in time professional pension for early retirement under the terms of Art. 168;

2. (suppl. SG 1/02; amend., SG 67/03; amend. – SG 41/09, in force from 02.06.2009; amend. - SG 61/15, in force from 01.01.2016, suppl. – SG, 92/17) onetime, or delayed payment of up to 50 percent of the resources accumulated in the individual account for permanently reduced ability over 89,99 percent;

3. (amend., SG 67/03) one time or deferred payment of sums to the heirs of a deceased insured person or a pensioner of the fund under the conditions and by the order of this division.

(2) (revoked, SG 67/03)

### **Insurance contract**

Art. 142a. (New – SG, 92/17) (1) The insurance contract in a fund for supplementary obligatory pension insurance shall be permanent and shall be drawn up and signed in 2 copies – one for each of the parties.

(2) The insurance contract shall obligatorily contain:

1. data for the contract parties:

a) the names of the insured person under identity document and UCN or analogical data for the foreign person;

b) the name central office, management address, pension license and the commercial registration of the pension insurance company;

2. the name, the judicial registration and the UIC of the fund for supplementary obligatory pension insurance;

3. the data and entry N of the application for participation, for change of the participation or for renewal of the insurance, or the N and date of the protocol for the official distribution;

4. the subject and scope of the insurance;

5. the amount of the insurance payment;

6. the amount of the fees and charges;

7. the rights and obligations of the contract parties and of the successors of the insured person;

8. the procedure ad way of receiving information;

9. the date of signing the insurance contract and the conditions for its enforcement;

10. the conditions for termination of the contract;

11. the names under the identity documents and the official N in the pension- insurance company of the insurance mediator, ore the authorized person by the insurance mediator – legal person, in the cases, where the contract is signed with its mediation.

### **Regulation for the organisation and the activity of the fund for supplementary compulsory pension insurance**

Art. 143. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulation for the organisation and the activity of the fund for supplementary mandatory pension insurance shall be approved by the management bodies of the stock holders of the pension insurance company.

(2) (Amend. – SG, 92/17, in force from 01.04.2018) The regulation for the organisation and the activity of the pension fund shall contain:

1. the name of the fund;

2. the name, the residence and the address of management of the pension insurance company managing it;

3. the conditions for supplementary mandatory pension insurance in the fund;

4. the conditions and the order for concluding insurance or pension contracts and contracts for delayed payment, the order for the amendments and supplements to them and the conditions for terminating of the insurance legal relations;

5. the conditions and the order for keeping individual accounts and for conceding excerpts from them to the insured person;

6. the basic purposes of the investment policy of the fund;

7. the extent of the fees and the deductions collected by the pension insurance company;

8. the conditions, the order and the terms for payment of the pensions and of the one time or the

deferred payments;

9. the conditions, the order and the terms for transfer of the accumulated resources to the individual file upon request of the insured person;

10. the conditions and the order for implementing changes in and additions to the regulation;

11. explicit mentioning of the way and the order for announcements and messages connected with the activity of the pension fund;

12. the methods of periods for assessment of the assets of the fund;

13. the rights and the obligations of the pension insurance company, of the persons under art. 123d, of the insured person, the pensioners and their successors;

14. the order and the way of forming a reserve for payment of lifetime pensions;

15. the order and the way of guaranteeing a minimal level of profitability from investing the resources of the insured persons;

16. the date of the adoption of the rules and of the following amendments and supplements in it, as well as data for the commission decisions, by which they are approved.

(3) (New – SG, 92/17, in force from 01.04.2018) With submission of an application under Art. 124a, Para. 3, Art. 137, Para. 3 and Art. 140, Para. 3 or in signing an insurance contract the insured person shall receive upon request against a signature a certified copy of the rules of the fund for supplementary obligatory pension insurance and of its investment policy, in force on the date of submission of the application, or from signing the contract.

#### **Amendment and supplement of the regulation of fund for supplementary compulsory pension insurance**

Art. 144. (1) (amend., SG 8/03; amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The amendments and the supplements of the regulation of art. 143, para 2 shall be approved by the commission, upon proposal of the deputy chairperson.

(2) (New – SG, 92/17, in force from 18.11.2018) For approval of amendments in the rules, the pension-insurance company shall submit to the commission an application, which shall have attached:

1. the decision of the management body for adoption of the amendments, where in it or in attachment to it shall describe in details the amendments and supplements in the concrete texts of the rules;

2. a certified by the person/s representing the company copy of the rules of the organization and the activity of the relevant fund with the amendments, adopted in it, where after each amendment shall be indicated the date, on which it is adopted;

3. the standard forms of the insurance and pension contracts and of the contracts for delayed payment, as well as the other internal documents of the company – where the amendments of the rules impose amendments in them.

(3) (New – SG, 92/17, in force from 18.11.2018) The commission deputy chairperson may require correction, supplementation or removal of incompliance in the documents under Para. 2 and provision of supplementary information, by setting a term for their provision not longer than 1 month.

(4) (New – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairperson shall pronounce within 1-month term from submission of the application, and in the cases under Para. 3 – within 1-month term from provision of the relevant documents or information. In the cases, where the required documents or information have not been introduced, the commission shall pronounce within 1-month term from expiry of the set term from their production. The applicant shall be notified in writing about the second decision within 7-day term.

(5) (Amend., SG 67/03, former Para. 2, amend, - SG, 92.17, in force from 18.11.2018) The pension insurance company shall inform the insured persons about the concrete amendments and the supplements of the regulation for the organisation and the activity of the pension fund, personally or

through a publication in two central daily newspapers within one week from receipt of the decision of the commission.

#### **Permit for managing a pension fund (amend., SG 67/03)**

Art. 145. (amend., SG 8/03; amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018)

(1) The permit for managing a universal or professional fund shall be issued by the commission upon proposal of the deputy chairperson. To obtain a permit the licensed pension insurance company shall file in the commission a written request under a standard form, confirmed by the commission chairperson attaching:

1. the protocol with the decision of the general assembly of the shareholders of the pension-insurance company for founding a universal or professional pension fund;
2. the regulations for the organisation and the activity of the universal and of the professional pension fund and the protocol with the decision for its adoption;
3. the actuary plans for the offered pension schemes and the names and personal data of the actuary;
4. samples of insurance and pension contracts;
5. the preliminary contracts with a bank-trustee and investment mediator and the declarations for compliance with the requirements of Art. 121e, Para. 9, Art. 123b, Para. 2 and Aer. 123c, Para. 2 under a standard form, approved by the commission deputy chairperson;
6. the financial report of the company by the last date of the preceding month;
7. the documents, certifying the compliance of the information system of the company with the specifics and volume of the activity, related to the management of the established fund;
8. reference for the human resource provision of the company;
9. investment policy of the universal, or the professional pension fund;
10. the rules under Art. 179c, para 1;
11. a document for a paid fee for examination of documents.

(2) the deputy chairman of the commission may also require corrections, supplementations or removal of incompliance in the documents under Para. 1 and producing supplementary information by setting a deadline for their presentation not longer than 1 month.

(3) After receiving the permit under Para. 1, the company shall produce to the commission the documents under Para. 1 within 14-day term from their change, unless other procedure has been provided for approval or notification.

(4) The commission shall define by an ordinance under Art. 122a, Para. 5 requirements to the documents under Para. 1, p. 3, 7, 8 and 10.

#### **Order of considering the request for permit to manage a pension fund (amend., SG 67/03)**

Art. 146. (amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The commission announce shall pronounce within 1-month term from submission of the request under Art. 145, Para. 1 and in the cases under Art. 145, Para. 1 – in 1-month term from the provision of the relevant documents or information. In the cases, where the required documents or information are not introduced, the commission shall pronounce within 1- month term from expiry of the defined term from their provision. The applicant shall be notified in writing about the decision, made within 7- day term.

#### **Refusal of giving permit for management of a pension fund (amend., SG 67/03)**

Art. 147. (amend., SG 8/03; amend., SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The commission shall refuse to give consent when:

1. upon expiration of the set deadline under art. 145, para 2, the supplementary documents or references are not presented or the incompliance have not been removed;
  2. the requirements of this code and the legislative instruments of its implementation have not been met;
  3. the necessary financial, personnel or informational provision of the pension insurance company is missing.
  4. an applied to the company mandatory administrative measure under Art. 344, Para. 2, p. 1, 5, 11 or 12 has been imposed.
- (2) In case of a refusal the pension insurance company may extend a new request for obtaining permit for managing a universal or pension fund not earlier than 6 months from the date of the refusal.

#### **Court registration (amend., SG 67/03)**

Art. 148. (amend., SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The district court at the place of seat of the fund shall enter in its register respectively the universal or professional fund if the pension insurance fund has filed an application for registration within 6 months from receiving the permit of the commission.

(2) The application for court registration shall contain:

1. the name, the seat of the company and the address of management of the pension insurance company;
2. the name of the pension fund;
3. the full name and UCC of the persons managing and representing the pension insurance fund.

(3) The universal or professional fund shall be entered in the register of the district court at the place of its seat.

(4) The fund for supplementary compulsory pension insurance shall exist as a corporate body from the day of its entering in the court register.

#### **Withdrawal of the permit for managing a fund (amend., SG 67/03)**

Art. 149. (1) (amend., SG 8/03; amend., SG 67/03, former text of Art. 149, amend. – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairperson shall withdraw the permits for managing a universal or professional fund for:

1. establishing that the documents, having served as grounds for the issuance of the permit, contain untrue data;
2. not filing the application for court registration within the 6-month period from obtaining the permit for managing a universal or professional fund;
3. transformation of a pension insurance company when the management of the fund is transferred to another pension insurance company;
4. dissolving of the fund because of incorporation or merger with another fund for supplementary mandatory pension insurance;
5. presence of a real and immediate threat for the interests of the insured persons;
6. withdrawal of the pension licence of the pension insurance company managing the fund.

(2) (New – SG, 92/17, in force from 18.11.2018) The commission may withdraw the permit for management of a fund for supplementary obligatory pension insurance in case of a rude violation or permanent violations of this Code and of the instruments on its implementation during the fund management.

### **Documents necessary for entering**

Art. 150. (1) For entering of a universal and/or professional pension fund to the court shall be presented the following documents:

1. (amend., SG 8/03; amend., SG 67/03) permit for management of a universal or professional pension fund;
2. (amend., SG 67/03) the regulation for the organisation and the activity of the universal or the professional pension fund;
3. the statutes of the pension insurance company managing and representing the pension fund;
4. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the pension insurance company;
5. (amend., SG 64/00) list of the members of the management bodies of the pension insurance company;
6. pension license of the pension insurance company;
7. (amend., SG 67/03) the decision of the general assembly of the pension insurance company for establishing a fund for supplementary compulsory pension insurance;
8. the names and the unified civil number of the persons managing and representing the pension insurance company.

(2) In the court register shall be entered the name of the universal and/or the professional pension fund; the name, the residence and the address of management of the pension insurance company established the fund; the way of representation of the pension insurance company.

### **Term for decision by the court**

Art. 151. The court shall consider the application for entering in 14 days term after the date of submitting.

### **Refusal of entering**

Art. 152. The court shall refuse to implement the entering if the requirements determined in this division have not been met.

### **Obligation for presenting a copy of the court decision**

Art. 153. (amend., SG 8/03; amend., SG 67/03) The pension insurance company shall be obliged to present to the commission a certified copy of the court decision for entering in 7 days term after receiving it.

### **Responsibility for the expenses for the entering**

Art. 154. All the expenses for the entering of the universal and/or the professional pension fund and all the undertaken actions for the objectives of its establishing and entering shall be made on behalf and for the account of the pension insurance company.

### **Obligations of the pension insurance company after withdrawal of the permit for management of a pension fund (new, SG 67/03)**

Art. 154a. (new, SG 67/03) (1) After the withdrawal of the permit for managing a universal or professional pension fund the pension insurance company may not conclude other contracts and offer new terms of supplementary compulsory pension insurance, as well as change the terms of concluded



insurance contracts for the respective fund.

(2) The withdrawal of the permit for management of a universal or professional pension fund shall not release the pension insurance company from its obligations under the concluded contracts.

### **Obligation of the commission after the withdrawal of the permit for management of a pension fund (Title, amend. – SG, 92/17)**

Art. 154b. (new, SG 67/03, amend. – SG, 92/17) The commission shall send a notice for withdrawal of the permit for management of a universal or professional pension fund to the court having made the registration, shall promulgate the announcement in the State Gazette and shall publish it in at least two central daily newspapers.

### **Trust board**

Art. 155. (1) The interests of the insured in the funds shall be represented by a trust board.

(2) The trust board shall include an equal number of representatives of the nationally represented organisations of the workers and employees and of the employers and one representative of the pension insurance company.

(3) (amend., SG 8/03; amend. SG 67/03) The rights and the obligations of the trust board shall be stipulated by an act of the Council of Ministers at the proposal of the commission.

(4) The proposals and the decisions of the trust board shall be of recommending nature for the pension insurance company.

### **Supervision**

Art. 156. (revoked, SG 67/03)

## **Chapter eleven. INSURANCE PAYMENTS**

### **Type and size of the insurance payments**

Art. 157. (1) (amend. SG 112/2004) The size of the insurance instalments for supplementary compulsory pension insurance shall be:

1. for the universal pension fund:

a) for the year 2005 – 3 per cent;

b) for the year 2006 – 4 per cent;

c) from the year 2007 – 5 per cent;

d) (amend. – SG 100/10, in force from 01.01.2011; revoked - SG 61/15, in force from 01.01.2016)

2. for the professional pension fund:

a) 12 per cent – for the persons working under the conditions of I category of labour;

b) 7 per cent – for the persons working under the conditions of II category of labour;

(2) (new – SG 112/2004; revoked – SG 99/09, in force from 01.01.2010)

(3) (amend. SG 1/02, prev. para 2- SG 112/2004 amend. – SG 100/10, in force from 01.01.2011) From the 1st of January 2009 the payments for universal pension funds shall be distributed among insurers and insured persons, as follows:

1. (suppl. – SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 01.01.2016) for the account of the insured person – 2,2 per cent;

2. (suppl. – SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 01.01.2016) for the account of the insurer- 2,8 per cent.

(4) (prev. para 3- SG 112/2004; suppl. – SG 99/09, in force from 01.01.2010) The payments for the professional pension funds shall be entirely for the account of the insurers, and as for the persons referred to in Art. 4a, para 1 – payments shall be entirely for their own account.

(5) (prev. para 4- SG 112/2004; suppl. – SG 99/09, in force from 01.01.2010; amend. – SG 100/11, in force from 01.01.2012) Self-insured persons and persons as per Art. 4a, para 1 shall be insured in a universal pension fund entirely for their account.

(6) (new – SG 1/02, prev. para 5- SG 112/200; amend. – SG 100/10, in force from 01.01.2011) The insurance payments for supplementary compulsory pension insurance shall be paid for the incomes for which insurance payments are due for the state public insurance, except Art. 9, para 6 and 7.

(7) (new, SG 67/03, prev. para 6- SG 112/2004)) The insurance instalments for supplementary compulsory pension insurance in a professional pension fund for persons who receive pension for insured service and age shall be transferred to fund "Pensions" of the state public insurance

### **Transfer of insurance payment**

Art. 158. (suppl. – SG 99/09, in force from 01.01.2010) The insurance payments for supplementary compulsory pension insurance shall be transferred simultaneously with the insurance payments for the state public insurance. Insurance instalments of persons referred to in Art. 4a, para 1 shall be deducted and deposited according to Art. 4a, para 7.

### **Collection of insurance payments**

Art. 159. (1) (amend. - SG 105/05, in force from 01.01.2006; amend. – SG 99/09, in force from 01.01.2010) The insurance payments for the supplementary compulsory pension insurance and the interest thereto shall be collected by the National Revenue Agency.

(2) (new – SG 94/12, in force from 01.01.2013) The insurers and the self-insured persons shall make the insurance payments under Para 1 to the respective account for additional mandatory pension insurance of the competent territorial unit of the National Revenue Agency.

(3) (amend. - SG 105/05, in force from 01.01.2006; prev. text of Para 02 – SG 94/12, in force from 01.01.2013) The insurance payments under para 1 shall be transferred to a specialised account for obligatory supplementary pension insurance of the National Revenue Agency.

(4) (amend. - SG 105/05, in force from 01.01.2006; revoked - SG 56/06, in force from 01.01.2007; new – SG 94/12, in force from 01.01.2013; amend. – SG 98/13, in force from 01.12.2013; amend. – SG 18/14, in force from 04.03.2014) In case there are several liabilities due, before the beginning of enforcement, the debtor may state for which one of them the payment is made. Where the debtor has not specified this, payments shall be made pursuant to Art. 169, para 5 and para 6 of the Tax-Insurance Procedure Code.

(5) (amend. - SG 105/05, in force from 01.01.2006; revoked - SG 56/06, in force from 01.01.2007; new – SG 94/12, in force from 01.01.2013) In cases of incompatibility of the filed data for insured persons and the insurance payments made for additional mandatory pension insurance the transfers to the pension insurance company shall be made proportionally to the insurance payments for the persons calculated according to the data under Art. 5, Para 4, Item 1.

(6) (amend. SG 1/02, amend. - SG 105/05, in force from 01.01.2006; prev. text of Para 03 – SG 94/12, in force from 01.01.2013) The National Revenue Agency shall transfer the received payments within 30 days from their receipt from the specialised account to an account of the respective pension fund, announced by the pension insurance company managing it.

(7) (amend. - SG 105/05, in force from 01.01.2006; amend. - SG 56/06, in force from

01.01.2007; prev. text of Para 06, amend. – SG 94/12, in force from 01.01.2013) For unjustified delay of the transfer of the sums under para 6 the National Revenue Agency shall owe a legal interest for the period of delay.

(8) (amend. - SG 105/05, in force from 01.01.2006; prev. text of Para 07 – SG 94/12, in force from 01.01.2013) The relations between the National Revenue Agency and the pension insurance company shall be settled by a contract.

(9) (amend. - SG 105/05, in force from 01.01.2006; prev. text of Para 08 – SG 94/12, in force from 01.01.2013) The pension insurance company shall bear responsibility before the insured persons only for the actually transferred insurance payments by the National Revenue Agency.

## **Chapter twelve. TAX RELIEF**

### **Tax exemption**

Art. 160. (1) The proceeds of the universal and the professional pension fund shall not be levied with tax by the order of the Corporate Income Tax Act.

(2) (amend. - 95/06, in force from 01.01.2007) The proceeds from investing the assets of the universal and the professional pension fund, distributed among the individual files of the insured persons shall not be levied with taxes in the context of the Income Taxes on Natural Persons Act.

(3) The services for the supplementary compulsory pension insurance shall not be levied with tax by the order of the Value Added Tax Act.

(4) The financial result of the licensed companies for supplementary compulsory pension insurance shall be reduced by the pension reserve formed under the conditions of Art. 192, para 2, as well as by the income from its investing.

### **Deduction of the personal payments from the taxable income**

Art. 161. (amend. - 95/06, in force from 01.01.2007) The personal insurance payments for supplementary compulsory pension insurance in universal pension fund by the individuals shall be deducted from their income before the taxation by a way, order and in amounts determined by the Income Taxes on Natural Persons Act.

### **Payments for expenses**

Art. 162. The payments by the employers for supplementary compulsory pension insurance shall be acknowledged as expenses for the activity under the Corporate Income Tax Act.

## **Chapter thirteen. RIGHTS OF THE INSURED PERSONS**

### **Restrictions for insurance in a pension fund**

Art. 163. The insured persons shall have the right to insure themselves only in one universal and/or one professional pension fund.

### **Relief from responsibility for liabilities**

Art. 164. The insured persons and the pension fund shall not be responsible for the liabilities of the pension insurance company which has founded and manages it.

### **Rights of the insured persons (amend., SG 67/03)**

Art. 165. (amend., SG 67/03) (1) The persons insured in universal pension fund shall be entitled to an supplementary pension for old age and the insured in professional pension fund - to a pension for early retirement.

(2) The pensions under para 1 shall be personal.

### **Kinds of pension**

Art. 166. (revoked, SG 67/03)

### **Right to additional lifetime pension for old age (amend., SG 67/03)**

Art. 167. (amend., SG 67/03, amend. – SG, 92/17) (1) The insured person shall have the right to a supplementary lifetime pension for old age, when reaching the age under the conditions of Art. 68, Para. 1.

(2) Upon request of the insured the fund for supplementary mandatory pension insurance may pay a lifetime supplementary pension for old age five years before the completion of his age of acquiring the right to a pension for insured service under art. 68, para 1, on condition that the accumulated resources in his individual account allow the granting of such a pension of a size not less than the size of the minimal pension for insured service and age under art. 68, para 1.

### **Right to professional pension**

Art. 168. (amend. – SG 100/10, in force from 01.01.2011; amend. - SG 61/15, in force from 01.01.2016) (1) As of January the 1st of January 2016 the persons insured at a professional pension fund shall be entitled to a pension for early retirement, provided that:

1. no less than 10 years of pensionable service after 31 December 1999 under the conditions of first category of labour and age, which is 10 years lower than the age for under art. 68, para 1;

2. not less than 15 years of pensionable service after 31 December 1999 under the conditions of second category of labour or under the conditions of first category of labour and age, which is 5 years lower than the age under art. 68, para 1.

(2) In assessment of the right to a pension under Para 1 the pensionable service of first labour category shall supplement the pensionable service of second category without transformation.

(3) (Suppl. – SG, 92/17) The pension referred to in Para 1 shall be paid until the age, reached by the person referred to in Art. 68, Para 1, and shall not be received together with a labour pension or a social pension for invalidity under part one.

(4) The required pensionable service shall be evidenced by a certificate issued by the National Social Security Institute.

### **Determining the amount of the pensions**

Art. 169. (amend., SG 67/03) (1) The amount of the supplementary lifetime pension for old age shall be determined on the basis of:

1. the accumulated sum in the individual account;

2. (Amend. – SG, 92/17) the bio-metric tables approved by the commission;

3. (amend. – SG, 92/17) the technical interest rate approved by the commission.

(2) (New – SG, 92/17) With calculation of the pension under Para. 1, the expected life

expectancy shall not be higher than the one, defined in the bio-metrical tables.

(3) (Former Para. 2, - SG, 92/17) The size of the term professional pension for early retirement shall be determined on the basis of:

1. the accumulated resources in the individual account;
2. the term of receiving;
3. (amend. – SG, 92/17) the technical interest rate approved by the commission.

(4) (New – SG, 92/17) Accounting sex as actuary factor shall not be admitted while defining the amount of the supplementary life pension for old age.

### **Pension contract (new, SG 67/03)**

Art. 169a. (new, SG 67/03) (1) (Amend. – SG, 92/17) On acquiring a right to pension under the conditions of this division a pension contract shall be concluded between the pension insurance company and the pensioner.

(2) (Amend. – SG, 92/17) The pension contract shall be signed in writing and obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006) the name, the seat, the address of management, the commercial registration, number and date of the pension licence and the unified identification code of the pension insurance company;
2. the full name and personal data of the pensioner;
3. the kind and the size of the pension and the way of its re-calculation;
4. term of receiving the pension;
5. the order and the way of payment of the pension;
6. rights of the legatees of the pensioner;
7. the order and the way of submitting information to the pensioner;
8. expenses related to the payment of the pension;
9. terms of termination of the contract.

### **Contract for deferred payment**

Art. 169b. (New – SG, 92/17) (1) Deferred payment is a contractual payment of the accumulated individual sum in several parts with equal or different amount, at equal or unequal periods.

(2) The deferred payment contract shall be signed in writing and shall obligatorily contain:

1. the name, central office, management address, trade registration the number and date of the pension license and the UIC of the pension-insurance company and the name and UIC of the fund for supplementary obligatory pension insurance;
2. the names and persons data of the insured person, or his successor;
3. plan for the payments;
4. procedure and way of the payments;
5. the rights of the successors of the person, receiving the payments;
6. procedure and way of provision of information to the contract parties;
7. the costs on the payment;
8. conditions for amendment and termination of the contract.

### **Rights of the legatees (amend., DG 67/03)**

Art. 170. (amend., SG 67/03) (1) In case of death of the insured person, to the legatees - the surviving spouse, the relatives on the ascending and descending line, shall be paid one-time or by schedule the accumulated sum under his individual account, observing the order of inheritance and the size of the inherited shares according to the Inheritance Act.

(2) In case of death of a pensioner of a universal or professional fund to the legatees under para

1 shall be paid the remainder of the sum of his individual account.

(3) When there are no legatees under para 1 the accumulated resources of the individual account in a universal fund shall be transferred to the pension reserve, and the accumulated resources of the individual account in the professional fund shall be transferred to the state budget.

### **Right of transfer**

Art. 171. (amend., SG 67/03) (1) (Amend. – SG, 92/17, in force from 01.04.2018) The insured person shall have the right to change his participation in a fund for supplementary mandatory pension insurance and to transfer the accumulated sums under the individual account from one to another respective fund managed by another pension insurance company, if one year has expired from the date:

1. of signing his first insurance contract;
2. of his official distribution;
3. of occurrence of the insurance legal relations under Art. 124a, Para. 3;
4. under Art. 124b.

(2) (Repealed – SG, 92/17, in force from 01.04.2018).

(3) (Amend. – SG, 92/17, in force from 01.04.2018) The insured person may transfer the funds from their individual files in the fund in case of disagreement with changes introduced in its rules, or in its investment policy if, within three months from the notification under art. 144, para 5, or under Art. 175a, Para. 4 they file application to that effect, unless where:

1. the central office or the management address of the pension-insurance company, which manages the fund are changed;
2. the changes shall occur from amendment of the normative provision.

(4) (revoked, SG 112/03)

(5) The order and the way of changing the participation in a fund or transfer of the accumulated resources of the individual account of an insured person from one fund to another respective fund for supplementary mandatory pension insurance, managed by another pension insurance company, shall be determined by an ordinance of the commission.

### **Right of drawing the accumulated sums**

Art. 172. The insured person shall have the right, at the time of retirement, to draw once or transfer the accumulated sums under the individual file into a universal fund if he has not acquired right to professional pension under the conditions of Art. 168.

### **Right to free information**

Art. 173. (1) The insured person shall be entitled to free information for the accumulated resources under his individual file, for the proceeds from their management and for the pension rights ensuing from the accumulated resources at least once within one calendar year in a manner and by an order determined by the regulations of the pension insurance company.

(2) In case of death of the insured person the right under para 1 shall be acquired by the persons under Art. 170, para 1.

### **Signal function**

Art. 174. (1) (amend., SG 8/03; amend., SG 67/03) The insured person and the persons under Art. 170, para 1 shall have the right to signal the trust board and the commission about violations of the activity of the pension insurance company.

(2) (amend., SG 8/03; amend., SG 67/03) The trust board, respectively the commission shall be obliged to respond in writing to each complaint within two months from the date of its receipt.

## **Chapter fourteen.**

### **ASSETS AND INVESTMENTS**

#### **Principles of investment**

Art. 175. (Amend. – SG, 92/17) (1) The pension-insurance company shall invest the money of the funds for supplementary obligatory pension insurance in the interest of the insured persons and the pensioners while observing the principles of reliability, liquidation, profitability and diversification.

(2) With investment of the money of the funds for supplementary obligatory pension insurance, the pension-insurance company shall be obliged to:

1. fulfill the investment policy of every managed fund in view to achieving its investment objectives, as well as to observe the investment restrictions, provided by the policy in this Code and the instruments of its implementation;

2. observe the rules for risk management of the relevant fund and manage the risk, as well as permanently monitor and assess every investment;

3. treat equally and fairly the funds, which it manages;

4. undertake all the needed actions, in order to receive the best possible result for every managed by it fund, by taking in consideration the price, costs, term, probability from fulfillment and settlement, the volume and type of the transaction and every other circumstance, related to its fulfillment;

5. not admit conflict of interest.

#### **Investment Policy**

Art. 175a. (new - SG 22/15, in force from 24.03.2015) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The pension insurance company shall adopt investment policy for each supplementary mandatory pension insurance. The minimum content of the investment policy shall be defined by an ordinance of the commission.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) The Company shall review the investment policy every year, as well as immediately after any major change in market and other referable conditions.

(3) (Amend. – SG, 92/17) The investment policy shall be submitted to the commission within 7 days from its adoption, amendment or supplementation, respectively.

(4) (New – SG, 92/17) The pension-insurance company shall inform the insured persons about the made amendments and supplementation in the investment policy of the fund by announcing in 2 central daily newspapers and shall publish it on its website within 7-day term from the change.

#### **Investment (amend., SG 67/03)**

Art. 176. (1) (amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The pension insurance company may invest the resources of the fund for supplementary mandatory pension insurance only in:

1. debt securities issued or guaranteed by:

a) a Member State, the obligations, which are state debt, or its central bank;

b) The European Central Bank or the European Investment Bank;

c) third state, defined by an ordinance of the commission, the obligations on which are state debt, or its central bank, which are accepted for trade on a regulated market in a Member State or on an official market of a fund stock-market or another organized market in a third state, functioning regularly,

recognized and publicly accessible;

d) third state, apart from those in letter “c”, whose obligations are state debt, or by its central bank, which are accepted for trade on a regulated market in a Member State;

e) international financial organizations, where in this case the securities must have investment credit rating;

2. bonds, issued by:

a) a body of the local government of a Member State;

b) a body of the local government of a third state, defined by an ordinance of the commission, where in this case the bonds must have investment credit rating and to have been accepted for trade on a regulated market in a Member State, or on an official market of a fund stock-market or on another organized market in a third state, functioning regularly, recognized and publicly accessible;

c) a body of the local government of a third state, apart from those, mentioned in letter “b”, where in this case the bonds must have investment credit rating and to have been accepted for trade on a regulated market in a Member State;

3. corporative bonds, issued or guaranteed by banks with above 50% state participation, received permit for carrying out bank activity under the legislation of a Member State, in view to financing of long term and mid-term infrastructure projects, for which with the shareholders general meeting decision and in the proposal for signing a bond loan an obligation has been undertaken to request acceptance and to be accepted for trade on a regulated market in a Member State in the term, not longer than 6 months from their issuance corporate bonds, accepted for trade:

a) on a regulated market in a Member State;

b) on an official market of a fund stock market or another organized market in a third state, functioning regularly, recognized and publicly accessible, where the bonds must have investment market

4. municipal securities, issued by Bulgarian municipalities pursuant to the Municipal Debt Act;

5. deposits in banks with minimum credit rating, which have the right to carry out activity on the territory of a Member State;

6. assets, other than those of an undertaking for collective investment, as well as in rights or variants on them;

a) traded on a regulated market in a Member State;

b) traded on an official market of a stock market or another organized market in a third state, functioning regularly, recognized and publicly accessible, where the assets must be included in indexes on these markets;

c) privileged assets of an issuer, whose assets are included in the indexes of letter “b”;

7. assets, offered under the conditions of initial public offer under the legislation of Member State, for which is approved and published a prospect, providing obligations to request acceptance of the assets and they are accepted for trade on regulated market in a Member State in the term not longer than 12 months from their issuance;

8. bonds, offered under the conditions of initial public offering under the legislation of a Member State, for which is approved and published a prospect, providing obligations to request acceptance of the bonds and they should be accepted for trade on a regulated market in a Member State in the term not longer than 12 months from their issuance;

9. guaranteed corporative bonds, about which in the decision of the shareholders general meeting and in the offer for signing obligations loan an obligation has been undertaken to request acceptance and they should be accepted for trade on a regulated market in a term, not longer than 6 months from their issuance, and for which are provided the requirements of the Public Offering of Securities Act to be correspondingly applied on the trustee of the bonders and guaranty of a public issue of bonds;

10. assets of:

a) a company with a special investment objective, licensed under the Companies with Special



Investment Purpose Act, as well as in rights under Para. 1, p. 3 of the Supplementary Provisions of the Public Offering of Securities Act, issued with increasing the company capital;

b) an undertaking for collective investment, whose exclusive subject of activity is investment in immovable properties, received permit for carrying out an activity under the legislation of a Member State, on which supervision is performed and which have been accepted for trade on a regulated market in a Member State;

11) assets and/or shares of a collective investment scheme with central office in a Member State or in a third state, defined by an ordinance of the commission;

12. assets and/or shares of alternative investment funds, managed by a person, received permit under the requirements of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174/1 of 1 June 2011);

13. investment properties in a Member State.

(2) The commission shall provide by an ordinance:

1. the state under Para. 1, p. 1, letter “c”, p. 2, letter “b”, p. 4, letter “b”, p. 6, letter “b” and p. 11;
2. the international financial organizations under Para. 1, p. 2, letter “e”;
3. the minimal levels of the credit rating under Para. 1, p. 5;
4. the markets under Para. 1, p. 1, letter “c”, p. 2, letter “b”, p. 4, letter “b” and the indexes on these markets under Para. 1, p. 6, letter “b”.

(3) The credit ratings under Para.1, Art. 178 and Art. 251 must meet the requirements for using for regulative objectives under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ, L 302/1 of 17 November 2009) called hereinafter “Regulation 1060/2009”.

#### **Investment prohibition and restrictions of the transactions with assets of a fund for supplementary compulsory pension insurance (Title amend. – SG 17/06)**

Art. 177. (Amend. – SG, 92/17, in force from 18.11.2018) (1) The pension insurance company cannot invest the assets of a fund for supplementary mandatory pension insurance in:

1. financial instruments, issued by the pension insurance company, which manages it or by the related to it persons;
2. financial instruments, issued by the trustee bank of the fund or by persons, who are in close relations with it;
3. deposits in a bank, which is a related person with the pension-insurance company;
4. assets and/or shares of a collective investment scheme under Art. 176, Para. 1, p. 11 and of alternative investment fund under Art. 176, Para 1. P. 12, managed by a related person with the pension-insurance company;
5. financial instruments, which are not completely paid off.

(2) Assets of the fund for supplementary mandatory pension insurance shall not be acquired by:

1. pension – insurance company;
2. related persons to the pension insurance company;
3. other fund, managed by the pension insurance company for supplementary pension insurance;
4. the bank-trustee of the funds or by persons, who are in close relations with it;
5. a person under Art. 123c, Para. 4 or by persons, who are in close relations with him;
6. collective investment scheme or other undertaking for collective investment, managed by a person, related to the pension-insurance company.

(3) Fund for supplementary mandatory pension insurance cannot acquire assets from the persons under par. 2.

(4) The prohibition for acquisition under Para. 2 and 3 shall not be applied to the cases of

signing transaction on a regulated market in a Member State or on an official market of a stock market or another organized market in a third state, functioning regularly, recognized and publicly accessible.

(5) The pension insurance company cannot carry out short sales and margin purchases of financial instruments at the expense of managed by it fund for supplementary mandatory pension insurance.

(6) The pension insurance company shall not acquire or transfer on regulated market on behalf and at the expense of a managed by it fund for supplementary mandatory pension insurance financial instruments under Art. 176, Para. 1, p. 6 and 10 through transactions, which according to the rules for trade on the relevant regulated market shall be subject only to registration on this market. The prohibition shall not apply to transactions with assets – subject to trade offer.

(7) Using investment properties – ownership of the fund for supplementary mandatory pension insurance shall not be admitted for the needs of the managing pension insurance company and of the persons, related to it.

### **Investments in one issuer**

Art. 177a. (new - SG 17/06, amend. – SG, 92/17, in force from 18.11.2018) (1) The pension insurance company and the funds for supplementary mandatory pension insurance, managed by it, cannot separately possess more than 7% of the shares with right to vote of one issuer.

(2) The funds for supplementary pension insurance, managed by one and the same pension insurance company shall not together possess 20% and above 20% of the shares with right to vote of one issuer.

(3) The pension insurance company and a fund for supplementary pension insurance, managed by it, cannot acquire stocks issued by one issuer and stocks/shares, issued by one undertaking for collective investment.

(4) Fund for supplementary mandatory pension insurance shall not possess more than 7% of the stocks without right to vote of one issuer.

(5) The funds for supplementary pension insurance, managed by one pension insurance company shall not together possess 20% and above 20% of the stocks without the right to vote of one issuer.

(6) Fund for supplementary mandatory pension insurance shall not possess more than 20% of one issue of bonds.

(7) The pension insurance company and the funds for supplementary mandatory pension insurance, managed by it shall not be able individually to acquire more than 15% of the stocks/shares of one collective investment scheme under Art. 176, Para. 1, p. 11. In this case the restrictions of Para. 1, 2, 4 and 5 shall not apply.

(8) The pension insurance company and the funds for supplementary mandatory pension insurance, managed by it shall not be able individually to acquire more than 7% of the stocks/shares of one undertaking for collective investment under Art. 176, Para. 1, p. 10 and 12. In this case the restrictions under Para. 1, 2, 4 and 5 shall not apply.

### **Investment restrictions**

Art. 178. (amend., SG 8/03; amend., SG 67/03, amend. - SG 17/06) (1) (amend. – SG 41/09, in force from 02.06.2009, amend. – SG, 92/17 in force from 18.11.2018) (1) Not more than 5% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments, issued by one issuer, where in this restriction:

1. The debt securities under Art. 176, Para. 1, p. 1, letters “a” and “b” shall not be included;
2. The debt securities under Art. 176, Para. 1, p. 1, letter “c” shall not be included with

investment credit rating;

3. where the issuer is a bank, shall also be included the deposits of the fund in this bank, the value of the back repo-transactions with it under Art. 179a, Para. 1 and the value of the net exposure on forward foreign exchange contracts and the contracts for interest swap to the same bank;

4. where the issuer is a financial institution, the value of the net exposure on the forward foreign exchange contracts and the contracts for interest swap to it shall be included.

(2) The total value of the investments of the fund for supplementary mandatory pension insurance in financial instruments, issued by companies of one group and the persons, with which these companies are in close relations shall not exceed 10% of the fund assets. This restriction shall also include:

1. the deposits of the fund in banks of the group and in banks, which are in close relations with companies of the group, the value of the back repo-transactions under Art. 179a, Para. 1 with these banks and the value of the net exposure to them on the forward foreign exchange contracts and the contracts for interest swap;

2. the value of the net exposure on the forward foreign exchange contracts and the contracts for interest swap with financial institutions of the group and financial institutions, which are in close relations with companies of the group.

(3) Not more than 10% of the assets of a fund for supplementary mandatory pension insurance may be invested in securities under Art. 176, Para. 1, p. 1, letter “d”.

(4) Not more than 10% of the assets of a fund for supplementary mandatory pension insurance may be invested in securities under Art. 176, Para. 1, p. 1, letter “e”.

(5) Not more than 15% of the assets of a fund for supplementary mandatory pension insurance may be invested in securities under Art. 176, Para. 1, p. 2, where not more than 5% of the assets may be in bonds, issued by a local authority body, which are not traded on regulated market.

(6) Not more than 10% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 3.

(7) Not more than 30% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 4.

(8) Not more than 25% of the assets of a fund for supplementary mandatory pension insurance may be invested in deposits, where the investments in deposits in one bank shall not exceed 5% of the fund assets.

(9) Not more than 30% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 6.

(10) Not more than 2% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 7.

(11) Not more than 2% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 8.

(12) Not more than 1% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 9.

(13) Not more than 5% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 10, where not more than 1% of the fund assets may be invested in companies with special investment purpose, securitizing receivables.

(14) Not more than 20% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 11, where not more than 5% of the fund assets may be invested in shares of collective investment schemes, managed by one and the same managing company.

(15) Not more than 1% of the assets of a fund for supplementary mandatory pension insurance may be invested in financial instruments under Art. 176, Para. 1, p. 12.

(16) Not more than 5% of the assets of a fund for supplementary mandatory pension insurance

may be denominated in foreign exchange from BGN into EUR, with the exception of the assets, for which restriction in present of the currency risk through signed hedging transactions under Art. 179b.

(17) Not more than 5% of the assets of a fund for supplementary mandatory pension insurance may be invested in investment properties under Art. 176, Para. 1, p. 13.

(18) The concrete requirements and restrictions to the investments of the fund for supplementary mandatory pension insurance shall be defined by its investment policy.

### **Prohibition of receiving and granting loans (Title amend. - SG 17/06)**

Art. 179. (amend. - SG 17/06) The pension insurance company cannot grant as well as receive loans on behalf and for the account of the fund or be a guarantor to third persons with the assets of fund.

### **Repo transactions and reverse repo transactions**

Art. 179a. (new - SG 17/06, former text of Art. 179a, suppl. – SG, 92/17, in force from 18.11.2018) The pension insurance company may conclude on behalf and for the account of the fund for supplementary mandatory pension insurance, managed by it, repo transactions and reverse repo transactions with securities under art. 176, par. 1 for the term not longer than 6 months in total amounting up to 5 percent of the assets of the fund, fixed by the end of the working day, preceding the date of conclusion of the last repo transaction or the last reverse repo transaction.

(2) (New – SG, 92/17, in force from 18.11.2018) Signing of transactions under Para. 1 shall not lead to change in the investment purposes and restrictions, indicated in the investment policy of the relevant fund for supplementary mandatory pension insurance.

(3) (New – SG, 92/17, in force from 18.11.2018) The pension-insurance company may sign transactions under Para. 1 only where this possibility has been envisaged in the investment policy of the fund for supplementary mandatory pension insurance and where the opposite parties on them are a bank or investment mediator, possessing own capital in the amount not smaller than BGN 1 500 000, they have received permit to carry out an activity under the legislation of a Member State or where they are subject to supervision on behalf of a competent body of another Member – party of the Agreement for the Organization for economic cooperation and development.

### **Transactions for reduction of the investment risk**

Art. 179b. (new - SG 17/06) (1) With the purpose of reducing the investment risk, connected to the assets of the pension funds, the pension insurance company may conclude transactions, which provide delay of the fulfilment of the obligations on them till fixed future date or term.

(2) Transactions under par. 1 are:

1. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) the transactions with futures, traded on regulated markets in Member States, or on official markets of stock markets or other organized markets in third states, functioning regularly, recognized and publicly accessible, which are indicated in an ordinance of the commission;

2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) the transactions with options:

a) traded on regulated markets in the Member States or on official markets of stock markets, or on other organized markets in third states, functioning regularly, recognized and publicly accessible, which are indicated in an ordinance of the commission;

b) out of stock market traded, back side, on which is a bank, which is subject to supervision on

behalf of a competent body of a Member State, or another state, indicated in an ordinance of the commission;

3. the forward currency contracts;

4. the interest swap transactions;

(3) The commission shall adopt an ordinance for the conditions for conclusion of transactions under par. 1, as well as for the requirements and the restrictions to them.

### **Risk Management**

Art. 179c. (new - SG 22/15, in force from 24.03.2015) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The management body of the pension insurance company shall approve internal rules on procedures for monitoring, measurement and management of risk associated with the investments of a supplementary obligatory pension insurance fund and shall present them to the commission within 7 days from their approval, respectively amendment or supplement.

(2) The internal rules under para 1 must provide credible risk management in accordance with nature, scale and complexity of the Fund's investments.

(3) Pension insurance companies shall use adequate methods for assessing risk management and shall comply with the objectives of the investment policy of the supplementary mandatory pension insurance fund.

(4) (Amend. – SG, 92/17, in force from 18.11.2018) When assessing the risk associated with investments of the supplementary obligatory pension insurance fund and taking investment decisions, the pension insurance company shall not rely solely and automatically on credit ratings issued by credit rating agencies under Art. 3, paragraph 1, letter "b" of Regulation № 1060/2009. In assessing compliance with this requirement the Deputy Chairman of the Commission shall also evaluate the use of references to credit ratings in rules under para 1 in investment policy.

### **Information announcement (Title amend. - SG 17/06)**

Art. 180. (amend., SG 67/03; amend. - SG 17/06, amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 92/17) The pension insurance company shall be obliged to publish on its Internet site information about the amount and the structure of the investments by types of assets and issuers of financial instruments for each fund for supplementary mandatory pension insurance, managed by it. The information shall be compiled using data from the end of the previous quarter.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) By an ordinance, the commission shall define the requirements on:

1. (suppl. - SG 61/15, in force from 01.01.2016) the form and contents of the information under par. 1;

2. (amend. - SG 61/15, in force from 01.01.2016, amend. – SG, 92/17) the determination and the public announcement by the pension insurance company of the achieved profitability and the degree of the investment risk at the management of a fund for supplementary mandatory pension insurance.

### **Violation of the requirements and restrictions on objective reasons (new, SG 67/03)**

Art. 180a. (new, SG 67/03, amend. - SG 17/06, amend. – SG 92/17, in force from 18.11.2018) (1) The pension insurance company shall be obliged to follow daily for the observation of the requirements under Art. 176 and 179b and of the investment policy of the managed by it fund for supplementary mandatory pension insurance. In case that acquired assets cease under objective reasons to meet the indicated requirements, the pension insurance company shall be obliged to notify the commission within 14-day term from the date of the change and to comply the fund assets with those requirements within 6-month term from the date of the change.

(2) The pension-insurance company shall be obliged to follow daily the observation of the

restrictions under Art. 177a, 178 and 179a, Para. 1 and of the provided restrictions of the investment policy of the fund for supplementary mandatory pension insurance and to comply the fund assets with them in the frames of 6 months from the date of exceeding the relevant restriction, where it is due to:

1. change of the market price or the price, used for making follow-up assessment of a fund asset;

2. change of the total value of the fund assets;

3. acquiring rights on funds assets in its capacity of a shareholder of a certain issuer;

4. decreasing the capital of a certain issuer;

5. decreasing the number of assets and/or shares of a collective investment scheme;

6, other objective reasons, grounded in writing and documented by the company.

(3) In the cases under Para. 2, complying the fund for supplementary mandatory pension insurance assets with the legal requirements, the pension insurance company shall not be able to acquire at the expense of the fund assets in relation to which the restriction is violated.

(4) Where in case of reformation of a fund for supplementary mandatory pension insurance, the restrictions under Art. 177a, 178 and/or 179a are violated by the newly formed or accepting fund, its assets shall be complied with these restrictions within the term of 6 months from the date of entry of the merging or joining in the register of the district court of the fund central office.

#### **Non-application of the restrictions**

Art. 180b. (New – SG, 92/17, in force from 19.11.2018) While observing the principles of Art. 175, the pension insurance company, which has received permit to manage a fund for supplementary mandatory pension insurance may not apply the restrictions under Art. 177a, 178 and 179a in the term of up to 6 months form receiving the permit.

#### **Profitability of the investment properties**

Art. 180c. (New – SG, 92/17, in force from 19.11.2018) (1) After expiry of 5 years from acquiring of each investment property, possessed by the fund for supplementary mandatory pension insurance, the pension insurance company shall be obliged at the end of every quarterly to compares the yield achieved on this property for the previous 60-month period with the achieved yield during management of the fund for the same period.

(2) Where the yield from the property is lower than 50% of the yield during management of the fund for the relevant period, the pension insurance company shall be obliged within the term of 24 months from finding this circumstance to sell the investment property at a price, not lower that the market one. Occurrence of changes during the 24-month period in the yield from the investment property and/or the yield form management of the fund shall not liberate the company from this obligation.

(3) The procedure and the way of calculation and comparison of the yield under Para. 1, and 2 shall be defined by an ordinance of the commission.

#### **Assessment of the assets**

Art. 181. (amend., SG 8/03; amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) Th management body of the pension insurance company shall adopt rules for assessment of the assets and liabilities of the company and of the funds for supplementary mandatory pension insurance, managed by it and shall produce them to the commission within 7-day term from adoption of amendments and supplements in them.

(2) The commission shall provide by an ordinance:

1. the minimal contents of the rules under Para. 1.;

2. the way and procedure for assessment of the assets and liabilities of the funds for supplementary mandatory pension insurance and of the pension insurance company;

3. the obligations of the pension insurance company in relation to the assessment of the assets

and liabilities of the managed funds for supplementary mandatory pension insurance and of its own assets and liabilities;

4. the way and procedure for defining the net value of the fund assets;
5. the way and procedure for calculation and announcement of the value of one share of the fund;
6. the requirements to keeping the individual files.

#### **Contract with investment mediator**

Art. 182. (revoked, SG 67/03)

#### **Contract with banks-depositors**

Art. 183. (revoked, SG 67/03)

#### **Actuary services**

Art. 184. (revoked, SG 67/03)

### **Chapter fifteen. ACCOUNTANCY**

#### **Requirements for the accountancy of the pension insurance company and of the funds for supplementary mandatory pension insurance**

Art. 185. (amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) The pension insurance company shall organise and keep the accountancy and shall draw up its annual financial statements and the annual financial statements of the managed by it funds for supplementary mandatory pension insurance, the annual report on its activity and annual report on the activity of every fund in compliance with the provision of this Code and the instruments for its implementation.

(2) The pension insurance company shall draw up separate reports for supervision purposes of the company and of every managed by it fund for supplementary mandatory pension insurance.

(3) The commission shall provide by an ordinance the requirements to the contents, periods for drawing up and terms for presentation of the reports for supervision purposes.

#### **Accountancy of the Fund for supplementary mandatory pension insurance**

Art. 186. (amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The pension insurance company shall keep an individual accountancy of each pension fund for supplementary mandatory pension insurance managed by it and shall work out individual reports for it.

#### **Monthly statements (new, SG 67/03)**

Art. 186a. (new, SG 67/03) (1) (amend., SG 92/17, in force from 18.11.2018) The company shall be obliged to present to the commission its monthly financial statements for supervision purposes of the company and of the managed by it funds for supplementary mandatory pension insurance within 20 days from the end of each month.

### **Annual accountancy statement**

Art. 187. (amend., SG 67/03) (1) (amend. - SG 95/16) The annual accountancy statements of the pension insurance company and of the pension funds managed by it shall be inspected and endorsed jointly by two auditing companies, which are registered auditors under the Independent Financial Audit Act approved by the general assembly of the company.

(2) (amend. - SG 95/16) The registered auditors shall be obliged to carry out conscientious and objective inspection and to keep the official secret.

(3) (New – SG, 92/17, in force from 18.11.2018) The registered auditors shall carry out check and shall:

1. express auditor's opinion on the reliable presentation of the property and financial condition and the financial result of the pension insurance company and the managed by it funds for supplementary mandatory pension insurance;

2. draw up a report for confirmation, that the annual reports on supervision purposes are drawn up on the basis of the audit annual financial statements of the company and the managed by it funds for supplementary mandatory pension insurance, they have been drawn up in compliance with the ordinance under Art. 185, Para. 3 and the information in them is consistent in every major aspect;

3. express auditor's opinion on the compliance of the management system with the requirements of this Code and the instruments of its implementation.

(4) (New – SG, 92/17, in force from 18.11.2018) The audit annual financial statements and the reports on the activity of the pension insurance company and on the management of the funds for supplementary mandatory pension insurance shall be adopted by the company shareholders general meeting.

### **Selection and Appointment of Auditors**

Art. 187a. (new - SG 95/16) (1) The pension insurance companies shall select the auditors under Art. 187, Para 1 following a preliminary coordination about the selection with the Commission for Financial Supervision.

(2) The criteria for coordination of the selection of auditors under Para 1 shall be adopted by the Commission in coordination with the Commission for Public Supervision of the Registered Auditors.

(3) Where in a term of 14 days from the date of requesting the coordination, the Commission for Financial Supervision has not made objections, it shall be deemed that the proposal for selection of an auditor has been coordinated.

### **Obligations of the auditors**

Art. 188. (amend., SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) The registered auditors of the pension in insurance company and of the managed by it funds for supplementary mandatory pension insurance shall inform immediately the commission in writing about all circumstances, which have become known to them during the audit, and which:

1. represent violation of this Code and of the legislative normative instruments of its implementation;

2. affect, or may violate the normal functioning of the pension-insurance company and/or the managed by it finds for supplementary mandatory pension insurance;

3. lead, or would have led to a situation, in which the pension-insurance company and/or the managed by it finds for supplementary mandatory pension insurance will not be in a position to fulfill their obligations;

4. cause or may cause substantial damage to the pension-insurance company and/or the managed by it finds for supplementary mandatory pension insurance;

5. lead to refusal of the auditors from expressing an opinion over the financial statements or to expression of qualified opinion;



6. have been related to untrue or incomplete data in the reports statements and reports, which the pension insurance company presents to the commission.

(2) The registered auditors of the pension-insurance company and/or the managed by it finds for supplementary mandatory pension insurance shall be obliged after a written request by the commission deputy director or by the commission to provide the relevant documentation on the circumstances under Para. 1.

(3) The registered auditors shall not bear responsibility for violation of the relevant legal or contractual conditions for keeping confidentiality in the cases, where under this law the have provided information in good will to the commission deputy chairperson or to the commission.

### **Promulgation of the statement**

Art. 189. (amend., SG 67/03, repealed – SG, 92/17, in force from 18.11.2018)

### **Obligation for presentation and making public the audited annual financial statements and reports**

Art. 190. (Amend. – SG, 92/17, in force from 18.11.2018) (1) The pension insurance company shall present within the term of up to 3 months after the end of the financial year the audited annual financial statements, accompanied by auditor's reports, the reports for supervision purposes and the annual reports on the activity of the company and on the management of the funds for supplementary mandatory pension insurance.

(2) (amend., SG 8/03; amend., SG 67/03) The pension insurance companies shall publish on its website within the term by 30 June of the year, following the reported year:

1. the adopted by the general assembly of the shareholders the audited annual financial statements of the company and the managed by it funds for supplementary mandatory pension insurance, accompanied with the auditor's reports;

2. the annual reports on the activity of the company and on the management of the funds for supplementary mandatory pension insurance;

3. information on the proposal of the company management body for distribution of the profit or for covering a loss of the previous year and the decision of the shareholders general meeting on the way of distribution of the profit or for covering the loss.

## **Chapter sixteen.**

### **RESERVES OF THE PENSION INSURANCE COMPNAY (TITLE, AMEND. – SG, 92/17)**

#### **Guarantees for fulfilment of the obligations**

Art. 191. The pension insurance company managing a universal or professional pension fund shall guarantee by its assets the fulfilment of the obligations to the persons insured in the fund.

#### **Reserves of the pension insurance company**

Art. 192. (1) The pension insurance company shall obligatorily create general reserves by the order of the Commercial Law.

(2) (amend., SG 8/03; suppl., SG 67/03) The pension insurance company managing universal pension fund shall obligatorily created pension reserve by an ordinance of the commission.

(3) The pension reserve shall cover the payment of the pensions to persons who have lived longer than the preliminary actuary calculations.

(4) The pension insurance companies cannot allocate dividends to their stock holders before forming the reserves.

### **Minimal profitability (amend., SG 67/03)**

Art. 193. (amend., SG 67/03) (1) (amend., SG 8/03) The pension insurance companies shall be obliged to achieve a minimal level of profitability in managing the assets of the funds for obligatory pension insurance.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) The minimal profitability shall be determined by the commission by the end of each quarter in a percentage, individually for the universal and professional pension funds, on the basis of the achieved profitability of the management of the assets of all funds of the respective kind for the preceding 24-month period.

(3) The minimal profitability of the respective pension funds shall be 60 percent of the average achieved profitability, or by 3 percent points less than the average - whichever is the less.

(4) (Amend. – SG, 92/17, in force from 18.11.2018) The minimal profitability shall be announced by the commission by the end of each month following the quarter of account.

(5) (Amend. – SG, 92/17, in force from 18.11.2018) When the achieved profitability of a fund for supplementary mandatory pension insurance is lower than the minimal one the pension insurance company, managing the fund, shall be obliged, within 10 days from its announcement, to cover the difference up to the minimal one.

(6) For guaranteeing the minimal profitability shall be created reserves in the pension fund and in the pension insurance company.

(7) (suppl., SG 112/03, amend. – SG, 92/17, in force from 18.11.2018) When the achieved profitability by a universal or a professional fund is over 40 percent higher than the achieved profitability of the respective kind of pension fund or exceeds by 3 percent points the average one, whichever is the largest figure, the resources from the profitability over this percentage shall be allocated as a reserve by the respective fund. The value of the reserve may not exceed 1 percent of the value of the net assets of the fund.

(8) (Amend. – SG, 92/17, in force from 18.11.2018) The pension insurance company shall obligatorily establish, by own resources a reserve in the company for each fund for supplementary mandatory pension insurance. The reserve shall be re-calculated at the end of every months, where its amount shall not be smaller than 1 percent and not larger than 3 percent of the value of the net assets of the respective fund, decreased by the funds of the reserve under Para. 7.

(9) If the achieved profitability of the universal and professional pension fund is under the guaranteed minimum the difference shall be covered by the reserve of the fund. When the resources of the reserve of the fund are insufficient the pension insurance company shall cover the shortage by the resources of the reserve under para 8.

(10) (New - SG, 92/17, in force from 18.11.2018) The pension insurance company shall cover with own funds the difference to the minimal profitability in case that the funds of the reserves under Para. 7 and 8 are not sufficient.

(11) (Former Para. 10, amend. - SG, 92/17, in force from 18.11.2018) The resources of the reserves under para 7 and 8 shall be invested by observing the provisions of art. 175 – 180a and 180c.

(12) (Former Para. 11, amend. - SG, 92/17, in force from 18.11.2018) The deductions for creation of the reserve under para 8 shall be recognised as expenses of the pension insurance company and shall not be levied with tax by the order of the Corporate Income Tax Act.

(13) (Former Para. 12, suppl. - SG, 92/17, in force from 18.11.2018) The way and the order of determining the minimal profitability, of covering the difference up to the minimal profitability and of formation and using the reserves under para 7 and 8, as well as for liberation of funds from the reserve under Para. 8 shall be settled by an ordinance of the commission.

**Chapter seventeen.**  
**TRANSFORMATION, TERMINATION, LIQUIDATION AND BANKRUPTCY OF THE FUNDS FOR SUPPLEMENTARY COMPULSORY PENSION INSURANCE (revoked, SG 67/03)**

**Transformation of the pension fund**

Art. 194. (revoked, SG 67/03)

**Bankruptcy proceedings**

Art. 195. (revoked, SG 67/03)

**Rights of the assignee in bankruptcy**

Art. 196. (revoked, SG 67/03)

**Rights of the insured**

Art. 197. (revoked, SG 67/03)

**Obligations of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision (amend., SG 8/03)**

Art. 198. (amend., SG 8/03; revoked, SG 67/03)

**Term of exercising the rights of the insured**

Art. 199. (revoked, SG 67/03)

**Applicability of the Act on additional voluntary pension insurance**

Art. 200. (revoked, SG 67/03)

**Chapter eighteen.**  
**FEES AND DEDUCTIONS**

**Obligatory fees**

Art. 201. (amend. - SG 61/15, in force from 01.01.2016) (1) For carrying out the activity on supplementary compulsory pension insurance and for management of the pension funds shall be introduced fees and deductions in favour of the pension insurance companies as follows:

1. a deduction of each insurance instalment in amount up to:

- a) 4,5 percent - for 2016;
- b) 4,25 percent - for 2017;
- c) 4 percent - for 2018;
- d) 3,75 percent - from 2019;

2. investment fee calculated on the basis of the net assets of the fund depending on the period of their management by the pension insurance company as follows:

- a) up to 0,9 percent per year - for 2016;
- b) up to 0,85 percent per year - for 2017;
- c) up to 0,8 percent per year - for 2018;
- d) up to 0,75 percent per year - from 2019.

(2) The fee under para 1, item 2 shall be deducted by an order determined by an ordinance and the commission.

### **Additional fees**

Art. 202. (amend., SG 67/03; amend. - SG 61/15, in force from 01.01.2016) The pension insurance company may collect additional fee amounting up to 10 BGN for transfer of the resources under the individual account into a pension scheme under Art. 343a, Para 1, Item 2, or Art. 343f, Para 1.

### **Lawfulness of the fees**

Art. 203. (1) Former text of Art. 203 – SG, 92/17) The pension insurance companies cannot collect other fees and deductions other than the ones stipulated in this Chapter.

(2) (New - SG, 92/17) All the costs for management of the funds for supplementary mandatory pension insurance shall be at the expense of the pension insurance company, managing them, with the exception of the costs for acquiring and sale of assets.

## **Chapter nineteen.**

### **ADMINISTRATIVE PUNITIVE RESPONSIBILITY (revoked, SG 67/03)**

#### **Section I.**

#### **Responsibility for violation of the provisions of the legislation regarding the state public insurance (revoked, SG 67/03)**

##### **Grounds**

Art. 204. (revoked, SG 67/03)  
(3) (revoked, SG 64/00)

##### **Establishment of the violations**

Art. 205. (revoked, SG 67/03)

#### **Section II.**

#### **Responsibility for the violations of the provisions of the legislation regarding the supplementary compulsory pension insurance (revoked, SG 67/03)**

##### **Responsibility for activity without pension licence**

Art. 206. (revoked, SG 67/03)

##### **Responsibility for offences and non-fulfilment of prescriptions (New, SG 8/03)**

Art. 206a. (New, SG 8/03; revoked, SG 67/03)

## **Establishment of the violations**

Art. 207. (revoked, SG 67/03)

## **Applying enforcement administrative measures (New, SG 8/03)**

Art. 208. (New, SG 8/03; revoked, SG 67/03)

### **Division three.**

## **ADDITIONAL VOLUNTARY PENSION INSURANCE (new, SG 67/03)**

### **Chapter twenty .**

## **GENERAL (new, SG 67/03)**

### **Principles (new, SG 67/03)**

Art. 209. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional voluntary pension insurance shall be carried out in a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes, called hereinafter "funds for additional voluntary pension insurance" on the grounds of the principles of:

1. voluntariness of participation;
2. corporate independence of the pension insurance company and of the funds for additional voluntary pension insurance;
3. transparency, severalty and exclusivity of the activity;
4. permit regime and state regulation;
5. obligatory periodical reporting and disclosure of information;
6. loyal competition between the pension insurance companies.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance in the funds for additional voluntary pension insurance shall be carried out on the principle of capital coverage on the basis insurance instalments determined in advance.

(3) (suppl. – SG 17/06; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The resources of the funds for additional voluntary pension insurance shall be managed by the pension insurance company with the care of a good entrepreneur in observance of the principles of reliability, liquidity, profitability and diversification to the interest of the insured persons.

### **Insured persons (new, SG 67/03)**

Art. 210. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Every individual having accomplished 16 years of age may voluntarily insure himself or be insured in funds for additional voluntary pension insurance under the conditions and by the order of this division.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The additional voluntary pension insurance shall be personal. Every insured in a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes shall have an individual insurance number and individual account.

**Participation in funds for supplementary voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 211. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) (1) The participation in a fund for supplementary voluntary pension insurance shall run from the date of signing insurance contract for personal contributions, or from the date of receiving in the pension-insurance company of a written consent of a person, in whose favour the contract for insurance with contributions by the persons under Art. 230, Para. 3, p. 2 – 4.

(2) With transfer of funds from one fund for supplementary mandatory pension insurance to another, the insurance contract or supplementary agreement between the insured person and the relevant pension insurance company shall come into force from the date of transfer of the funds in the individual file.

(3) The participation in the fund for supplementary mandatory pension insurance in professional schemes shall begin from the date of joining of the person to the professional scheme.

**Rights by insurance in funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 212. (new, SG 67/03) (1) (prev. text of art. 212 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance in a fund for additional voluntary pension insurance shall give a right to:

1. a personal pension - for old age or disability;
2. hereditary pension - on death of the insured person who receives pension under this division;
3. one-time or deferred payment of the accumulated resources of the individual account;
4. one-time or deferred payment of resources to the legatees of a deceased insured person or of a pensioner.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance under professional pension schemes of enterprises insurers, established according to the legislation of the Republic of Bulgaria, shall give right to:

1. term pension for old age;
2. one-time or deferred payment of the accumulated resources of the individual account;
3. one-time or deferred payment of resources to the legatees of a deceased insured person or of a pensioner.

**Reserves of the pension insurance company (new, SG 67/03)**

Art. 213. (new, SG 67/03) (1) The pension insurance company shall obligatorily create general reserves by the order of the Commerce Act and pension reserves.

(2) (Amend. – SG, 92/17) The pension insurance company managing the fund for supplementary voluntary pension insurance and paying lifetime pensions shall obligatorily create a pension reserve by an order determined by an ordinance of the commission.

(3) The pension reserve under para 2 shall cover the payment of pensions to the persons who have lived longer than the advance actuary expectations.

(4) The pension insurance companies may not distribute dividends to their stock holders before the formation of the reserves.

(5) (new - SG 92/17) In case of insolvency, the insolvency assets of the pension insurance company do not include the assets for covering the pension reserve.

### **Technical reserves**

Art. 213a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) In order to guarantee punctual fulfilment of the obligations under concluded pension contracts, the pension insurance company, managing a fund for additional voluntary pension insurance under professional schemes shall:

1. maintain at any moment assets, corresponding to the financial liabilities in amount;
2. obligatorily form technical reserves in the cases, when covering biometrical risks, ensure minimal level of profitability or amount of the pensions.

(2) The assets for covering technical reserves under para 1, item 2 shall be formed and maintained at the fund for additional voluntary pension insurance under professional schemes as specified property, separated from the rest of the assets of the fund, for which individual accountancy shall be kept.

(3) The types of reserves, the procedure and the methods of their formation, as well as the maximum amount of the technical rate of interest shall be determined by an ordinance of the commission.

(4) The calculation of the technical reserves shall be carried out annually and shall be certified by the liable actuary of the pension insurance company. The actuary methods used and the order and the manner of the calculation of the reserves shall be specified by the ordinance under para 3.

(5) The calculation of the technical reserves shall be carried out in such a manner, that:

1. the minimal amount of the technical reserves shall be determined by means of reliable and fair actuary calculations and admissions, indicating all obligations, ensuing from the concluded pension contracts; the minimal amount shall be sufficient for payment of all granted pensions;

2. the adopted economic and actuary admissions for assessment of the obligations shall be selected reasonably, provided that a suitable limit for the unfavourable deviations shall be indicated;

3. the amount of the technical rate of interest shall be specified in appliance with the requirements of the ordinance under para 3, provided that shall be accounted:

- a) the profitability of the assets, covering the technical reserves, and the anticipated degree of returns on investments and/or

- b) the market profitability of qualified debt instruments, issued or guaranteed by government of a Member state.

4. the biometrical tables, used for the calculation of the technical reserves, shall be determined, taking into consideration the basic characteristics of the persons with pensions granted under professional schemes with biometrical risk covered, as well as the anticipated future development of the risks;

5. the method and the actuary admissions at the calculation of the technical reserves may not be altered, except in the cases of changes in the legal, demographic or the economic circumstances, on which the admissions are based.

### **Financing the technical reserves**

Art. 213b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The pension insurance company at any moment shall provide sufficient and suitable assets, covering the technical reserves, specified in the Ordinance under art. 213a, para 3, with regards to all obligations undertaken with covered risks.

(2) (Amend. – SG, 92/17) The technical reserves shall be covered entirely at any moment for all

managed professional schemes. In case of violation of this obligation of the commission shall apply the measure under art. 344, para 2, item 17.

### **Chapter twenty one.**

#### **FUNDS FOR ADDITIONAL VOLUNTARY PENSION INSURANCE (new, SG 67/03)**

##### **Definition (new, SG 67/03)**

Art. 214. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be established and managed by licensed pension insurance companies.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be established by a decision of the general assembly of the pension insurance company.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) A pension insurance company may constitute and manage one fund for additional voluntary pension insurance and one fund for additional voluntary pension insurance under professional schemes.

(4) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall be managed and represented by the pension insurance company.

(5) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company and the funds for additional voluntary pension insurance are separate corporate bodies.

(6) The funds for additional voluntary pension insurance shall be established for an indefinite period of time.

(7) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The seat and the address of management of the funds for additional voluntary pension insurance shall obligatorily coincide with the seat and the address of management of the pension insurance company.

##### **Liability of the pension insurance company (new, SG 67/03)**

Art. 215. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, suppl. – SG, 92/17) The pension insurance company shall bear proprietary liability to the insured persons and the pensioners for losses having occurred as a result of unconscientious fulfilment of its obligations regarding the management and the representation of the funds for supplementary voluntary pension insurance.

(2) The pension insurance company shall guarantee by its assets the fulfilment of its obligations to the insured persons and pensioners.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The funds for additional voluntary pension insurance shall not be liable for the obligations and for the losses of the pension insurance company managing and representing them.

##### **Name (new, SG 67/03)**

Art. 216. (new, SG 67/03) (1) The name of the fund for additional voluntary pension insurance



shall obligatorily contain in a combination the name of the pension insurance company and the words "pension", "voluntary" and "fund" or their derivatives.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The name of the fund for additional voluntary pension insurance under professional schemes shall include not only the content under para 1, but also the words "professional schemes".

(3) (prev. text of para 2, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Only funds registered in compliance with this code may use in their name in a combination the words under para 1 and 2 or their equivalent in Bulgarian or foreign language.

#### **Identification code of the legal subject**

Art. 216a. (New – SG, 92/17) (1) The funds for supplementary voluntary pension insurance on professional schemes and the pension-insurance companies, which manage such funds shall be obliged to have identification codes of the legal subject.

(2) The pension-insurance companies and the funds under Para. 1 shall be obliged to have identification codes of the legal subject within 3-month term from the entry of the fund in the register under Art. 221. The costs, related to issuance and maintenance of the registration of the identification codes shall be at the expense of the pension insurance companies.

(3) The pension insurance companies shall notify the commission about their identification codes and about the identification codes of the managed by them funds for supplementary voluntary pension insurance on professional schemes within 7- day term form issuance of the relevant code.

(4) With provision of information about the activity of the pension insurance companies and the funds under Para. 1 of the European Insurance and Occupational Pensions Authority by the companies or the commission shall indicate also the identification codes of these companies and funds.

#### **Prohibition of title by prescription (new, SG 67/03)**

Art. 217. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The assets of the funds for additional voluntary pension insurance may not be acquired by prescription.

#### **Permit for management of funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 218. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) (Suppl. – SG, 92/17, in force from 18.11.2018) A permit for management of a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes shall be issued by the commission upon proposal of the deputy chairman of the commission.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) To obtain a permit under para 1 the licensed pension insurance company shall file in the commission a written request, according to a standard form, confirmed by the commission deputy chairperson to which shall be enclosed:

1. the protocol with the decision of the general assembly of the shareholders of the pension insurance company for establishing a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes;

2. the regulations for the organisation and activity of the fund and protocol with the decision for its adoption;

3. actuary plans for the offered pension schemes and the names and personal data of the

actuary;

4. samples of insurance and pension contracts;
5. preliminary contract with a bank-trustee and an investment mediator and the declarations for compliance with the requirements of Art. 121e, Para. 9, Art. 123b, Para. 2 and Art. 123c, Para. 2 upon a standard form, confirmed by the commission deputy chairperson;
6. the financial report of the company by the last date of the preceding month;
7. the documents, certifying the compliance of the informational system of the company with the specifics and volume of the activity, related to management of the established fund;
8. reference for the human resource of the company;
9. a document for paid fee for consideration of documents;
10. the fund's investment policy;
11. internal rules of procedures for monitoring, measurement and management of risk associated with investments of the fund approved under Art. 179c, para 1.

(3) (Amend. – SG, 92/17, in force from 18.11.2018) The commission deputy chairman may also require correction, addition or removal of incompliance in the documents under Par. 2 and provision of other data or supplementary information and set a deadline for their presentation, not longer than 1 month.

(4) (New - SG, 92/17, in force from 18.11.2018) After receiving the permit under Para. 1, the company shall produce to the commission the documents under Para. 2 within 14-day term from their change, unless otherwise provided for approval or notification.

(5) (New - SG, 92/17, in force from 18.11.2018) The commission shall provide with the ordinance under Art. 122a, Para. 5 the requirements to the documents under Para. 2, p. 3, 7, 8 and 11.

**Term of considering the request for permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 219. (new, SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The commission shall pronounce within 1-month term from submission of the request under Art. 218, Para. 2, and in the cases under Art. 218, Para. 3 – within 1-month term from production of the relevant documents, data and information. In the cases, where the required documents or information has not been introduced, the commission shall pronounce within 1-month term from expiry of the set term for their production. The applicant shall be notified in writing about the made decision within 7-day term.

(2) (Repealed – SG, 92/17, in force from 18.11.2018)

(3) (Repealed – SG, 92/17, in force from 18.11.2018)

**Refusal to issue permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 220. (new SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The commission shall refuse to issue permit where:

1. (amend. – SG, 92/17, in force from 18.11.2018) in the set deadline under art. 219, para 1 the supplementary documents or information have not been presented or the irregularities have not been corrected;

2. (suppl. – SG, 92/17, in force from 18.11.2018) the requirements of this Code and of the legislative instruments on its implementation have not been met;

3. there is no the necessary financial, personnel or informational provision of the pension insurance company.

4. (new – SG, 92/17, in force from 18.11. 2018) an applied mandatory administrative measure has been applied to the company under Art. 344, Para. 2, p. 1, 5, 11, 12 or 17.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case of a refusal the pension insurance company may file a new request for obtaining a permit for managing a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes not earlier than 6 months from the date of the refusal.

### **Court registration (new, SG 67/03)**

Art. 221. (SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) The district court at the place of the seat of the fund for supplementary voluntary pension insurance or the fund for supplementary voluntary pension insurance under professional schemes shall enter in its register the fund if the pension insurance company has filed an application for registration within 6 months from obtaining the permit from the commission.

(2) The application for court registration shall contain:

1. the name, the seat and the address of management of the pension insurance company;
2. name of the pension fund;
3. full name and united citizen number of the persons who manage and represent the pension insurance company.

(3) Attached to the application under para 2 shall be:

1. a certified copy of the licence of the pension insurance company for carrying out activity of supplementary pension insurance;
2. the statutes of the pension insurance company;
3. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the pension insurance company;

4. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the decision of the general assembly of the pension insurance company for establishing a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes;

5. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) the regulations for the organisation and activity of the fund for supplementary voluntary pension insurance or the fund for supplementary voluntary pension insurance under professional schemes;

6. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) the permit of the commission for management of a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes.

(4) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Entered in the register of the district court shall be the name of the fund for supplementary voluntary pension insurance or of the fund for supplementary voluntary pension insurance under professional schemes; the name, the seat and address of management of the pension insurance company having established the fund; the way of representation of the pension insurance company.

(5) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The fund for supplementary voluntary pension

insurance or the fund for supplementary voluntary pension insurance under professional schemes shall occur as a corporate body from the day of the entry in the court register.

**Deadline for the court decision (new, SG 67/03)**

Art. 222. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The court shall consider the application for registration of the fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes within 14 days from the date of its filing.

**Submission of a copy of the court decision (new, SG 67/03)**

Art. 223. (SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall be obliged to submit to the commission a certified copy of the court decision for entry of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes within 7 days from its receipt.

**Responsibility regarding the expenses related to the registration (new, SG 67/03)**

Art. 224. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) All expenses related to establishing, obtaining permit for management and for registration of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes shall be for the account of the pension insurance company.

**Withdrawal of the permit for management of a fund (new, SG 67/03)**

Art. 225. (new, SG 67/03) (1) (prev. text of art. 225, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) (1) The commission shall withdraw the permit for managing a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes for:

1. finding that the documents having serves as grounds for issuance of the permit contain untrue data;

2. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) not filing the application for court registration within 6 months from obtaining the permit for management of a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes;

3. transformation of the pension insurance company when the management of the fund is transferred to another pension insurance company;

4. (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) dissolving of the fund due to merger or incorporation with another fund for supplementary voluntary pension insurance or fund for supplementary voluntary pension insurance under professional schemes;

5. presence of real and immediate threat for the interests of the insured persons;

6. withdrawal of the pension licence of the pension insurance company managing the fund.

(2) (New – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy

chairperson of the commission may withdraw the permit for management of a fund for supplementary voluntary pension insurance or of a fund for supplementary voluntary pension insurance on professional schemes in case of rude violation or permanent violations of this Code and of the instruments on its implementation while managing the fund.

(3) (New - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, former Para. 2 – SG, 92/17, in force from 18.11.2018) The commission may also withdraw the permit for management of a fund for supplementary voluntary pension insurance under professional schemes in case of systematic violations of the applicable labour and insurance legislation, the normative requirements, related to the investment activity and the disclosure of information.

**Obligations of the pension insurance company after withdrawal of the permit for managing a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 226. (new, (SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) After the withdrawal of the permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes the pension insurance company may not conclude new contracts and offer new terms of additional voluntary pension insurance, as well as change the conditions, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the permit shall not release the pension insurance fund from its obligations on concluded contracts.

**Obligation of the commission after the withdrawal of a permit for management of a fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, amend. – SG, 92/17)**

Art. 227. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) The commission shall send a notification for the withdrawal of the permit for managing a fund for supplementary voluntary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes to the court having made the registration, shall promulgate the notification in the State Gazette and shall publish it in at least two central daily newspapers.

**Regulations for the organisation and activity of a fund for additional voluntary pension insurance and a fund for additional voluntary pension insurance under professional schemes (Title suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union).**

Art. 228. (new, SG 67/01) (1) (amend. and suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of a fund for supplementary voluntary pension insurance or of a fund for supplementary voluntary pension insurance under professional schemes shall be adopted by the management bodies of the pension insurance company.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of the fund for supplementary voluntary pension insurance shall contain:

1. the name of the fund;
2. the name, the seat and the address of management of the pension insurance company managing it;
3. (suppl. – SG, 92/17, in force from 01.04.2018) the conditions for supplementary voluntary pension insurance in the fund;
4. (suppl. – SG, 92/17, in force from 01.04.2018) the conditions and the order of concluding insurance or pension contracts and contracts for delayed payment, the order for the amendments and supplements in them and the conditions of their termination;
5. the kinds of pension schemes and their description;
6. the order of raising insurance instalments;
7. the persons entitled to hereditary pension;
8. the conditions and the order of keeping individual accounts and of submitting excerpts of them to the insured persons;
9. (amend. - SG 17/06, amend. – SG, 92/17, in force from 01.04.2018) the basic objectives of the fund investment policy;
10. (new - SG 17/06, repealed – SG, 92/17, in force from 01.04.2018).
11. the size of the fees and charges collected by the pension insurance company;
12. the conditions, the order and the deadlines for payment of the pensions and of the one-time or deferred payments;
13. (Amend. – SG, 92/17, in force from 01.04.2018) the conditions, the order and the deadlines for transfer of the accumulated resources from the individual account;
14. the conditions and the order of introducing amendments and supplements in the regulations;
15. explicit presentation of the way and the order for notices and announcements related to the activity of the pension fund;
16. the methods and periodicity of assessment of the assets of the fund;
17. (Amend. – SG, 92/17, in force from 01.04.2018) the rights and the obligations of the pension insurance company, of the persons under Art. 123d, of the insured persons, of the pensioners and their successors, as well as the rights and obligations of the employers and of the other insurers.
18. (new – SG, 92/17, in force from 01.04.2018) The dates of the adoption and of the follow-up amendments and supplements in the rules, as well as data about the commission decisions, by which they are approved.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The regulations for the organisation and activity of the fund for supplementary voluntary pension insurance under professional schemes shall contain:

1. (amend. – SG, 92/17, in force from 01.04.2018) the information under para 2, items 1, 2, 4, 8 – 9, 12 – 15 and 18;
2. the order and the terms for payment of the pensions and of the one-time or the deferred payments;
3. the rights and the obligations of the pension insurance company, the insurers and the insured persons.

**Amendment and supplement of the regulations of the funds for additional voluntary pension insurance (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 229. (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. and suppl. – SG, 92/17, in force from 18.11.2018) The amendments and supplements of the rules under art. 228, para 2 and 3 shall be approved by the commission upon proposal of deputy chairperson of the commission.

(2) (New – SG, 92/17, in force from 18.11.2018) For approval of amendments in the rules, the pension insurance company shall submit to the commission an application, which shall have attached:

1. the decision of the management body for adoption of the amendments, where in it, or in an annex to it, the amendments and supplementation in the concrete texts of the rules are described in details;

2. certified by the person/s, representing the company copy of the rules, for the organization of the activity of the relevant fund with the adopted amendments in it, where after every amendment, the date shall be indicated, on which it has been adopted;

3. standard forms of the insurance and pension contracts and of the contracts for delayed payment, as well as of the other internal documents of the company, where the rules amendments impose changes in them.

(3) (New – SG, 92/17, in force from 18.11.2018) The commission deputy chairperson may require corrections, supplementation or removal of incompliance in the documents, under Para. 2 and the provision of supplementary information, by setting term of their production, not longer than 1 month.

(4) (New – SG, 92/17, in force from 18.11.2018) The commission shall pronounce within 1-month term from submission of the application, and in the cases under Para. 2 – within 1- month from production of the relevant documents and information. In the cases, where the required documents or information have not been produced, the commission shall pronounce within 1-month term from expiry of the set term for their production. The applicant shall be notified in writing about the decision, made within 7- day term.

(5) (Former Para. 2, amend. and suppl. – SG, 92/17, in force from 18.11.2018) The pension insurance company shall notify the insured persons and the persons under Art. 230, Para. 3, p. 2 – 4 and Para. 4, p. 1 about the concrete amendments and supplements of the regulations and activity of the pension fund personally or through a publication in two central daily newspapers within one week from receipt of the permit of the commission.

### **Documents required for registration of professional scheme**

Art. 229a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The pension insurance company, respectively the foreign institution shall submit to the commission, according to a form, approved by the deputy chairperson of the commission, an application in writing for registration of professional scheme, to which shall be applied:

1. a copy-excerpt of the terms of the collective agreement, respectively of the collective contract, related to the professional scheme;

2. a copy of the insurance contract between the enterprise insurer and the company, respectively the foreign institution.

(2) The application under para 1 shall be submitted within 10-days period from concluding the insurance contract.

(3) The deputy chairman of the commission may also require other information in connection to the documents under para 1 and to fix a term for its submission not longer than 14 days.

(4) (Amend. – SG, 92/17, in force from 18.11.2018) Upon each change in the documents and the circumstances under para 1 the pension insurance company, respectively the foreign institution shall notify the commission within 14-days from coming of knowledge of the change.

### **Registration of professional scheme**

Art. 229b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the

Accession of the Republic of Bulgaria to the European Union) (1) (Amend. – SG, 92/17, in force from 18.11.2018) In 7-day term from the submission of the application under art. 229a, para 1 or the notification under art. 229a, para 4 the commission upon proposal of the deputy chairperson shall issue an order for registration of the professional scheme in a public register of the professional schemes.

(2) The commission shall keep a public register of the professional schemes, for which an order is issued under para 1. In the register shall be entered:

1. name, seat of business and registered office, commercial registration and unified identification code of the enterprise insurer or the relevant data for the foreign enterprise insurer;

2. name, seat of business and registered office, commercial registration and unified identification code and number of the personal license of the pension insurance company or the relevant data for the foreign institution.

### **Activity of a pension insurance company abroad**

Art. 229c. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) (Amend. – SG, 92/17, in force from 18.11.2018) A pension insurance company, managing a fund for supplementary voluntary pension insurance under professional schemes, may carry out activity abroad, by concluding insurance contract with a foreign enterprise insurer. The relations between the foreign enterprise insurer and the insured persons shall be regulated by the labour and the insurance legislation of the other Member state. The management of the scheme shall be carried out according to the labour and the insurance legislation, applicable to the insurance of the other Member state and within the frames of the permit for management of a fund for supplementary voluntary pension insurance under professional schemes, issued by the commission.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) Prior to conclusion of the contract under para 1 the pension insurance company shall notify in writing the commission of:

1. the assuming Member state;

2. the name and the address of the foreign enterprise insurer in the assuming Member state;

3. the basic characteristics of the professional scheme, which shall be managed by the company.

(3) (Amend. – SG, 92/17, in force from 18.11.2018) Within a term of three months from receiving the notification under para 2, the commission shall send the information, contained in it, to the competent supervisory body in the assuming Member state and shall immediately inform the pension insurance company, which has submitted the application, of its sending.

(4) (Amend. – SG, 92/17, in force from 18.11.2018) In the cases of mandatory administrative measures, imposed on the pension insurance company by the order of art. 344, para 2, item 1, 5, 11,12,13,16 and 17, as well as in other cases, determined by a law, the information under para 3 shall not be sent to the competent supervisory body and the pension insurance company cannot conclude an insurance contract under para 1.

(5) (Amend. – SG, 92/17, in force from 18.11.2018) After receiving from the competent supervisory body of the assuming Member state, whose labour and insurance legislation is applicable to the scheme, the relevant provisions of the labour and insurance legislation of this state, as well as all other applicable provisions, related to the to the investment activity and the disclosure of information, the commission shall send immediately the information, received from the competent supervisory body, to the pension insurance company.

(6) (Amend. – SG, 92/17, in force from 18.11.2018, amend. SG - 15/18, in force from 16.02.2018) The pension insurance company may start managing the professional scheme immediately after receiving the information under para 5, and in case it has not received such – in two months term. The company shall notify the commission in case it starts managing professional scheme, and shall



periodically present information of its management.

(7) Regardless of the receipt of the information under para 5 at management of professional scheme, the pension insurance company shall observe the provisions of the labour and insurance legislation of the other Member state relevant to the insurance under these schemes, as well as all applicable provisions, related to the investment activity and the disclosure of information.

(8) At carrying out activity abroad the pension insurance company shall be obliged to inform the insured persons, the pensioners and the other persons, who have rights under professional scheme, according to the requirements of the legislation of the assuming Member state.

(9) (Amend. – SG, 92/17, in force from 18.11.2018) The competent supervisory body of the assuming Member state shall notify the deputy chairman of the commission of each amendment of the applicable labour and insurance legislation, which may influence the characteristics of the professional scheme, as far as it affects its action, as well as of the amendment of the relevant provisions, related to the investment activity and the disclosure of information, in connection to the scheme, managed by the pension insurance company. The commission shall immediately notify the pension insurance company of the amendments.

(10) The competent supervisory body of the assuming Member state shall exercise supervision with respect to observance of the respective labour and insurance legislation and the provisions, related to the investment activity and the disclosure of information at management of professional scheme.

(11) (Amend. – SG, 92/17, in force from 18.11.2018) At establishing violations of the applicable legislation and the provisions, indicated in art. 10, the competent supervisory body of the assuming Member state shall immediately notify the commission.

(12) (Amend. – SG, 92/17, in force from 18.11.2018) After receiving the notification under para 11, the commission in coordination with the competent supervisory body of the assuming Member state shall undertake the measures necessary for discontinuance of the violation by the pension insurance company.

(13) (Amend. – SG, 92/17) In case the pension insurance company does not fulfil the mandatory administrative measures applied or such measures have not been imposed by the deputy chairman of the commission, or by the commission, the competent body of the assuming Member state may impose suitable measures in compliance with its national legislation after informing the commission.

(14) All permits under para 1 shall keep a special register in administration "Insurance supervision" of the commission.

(15) (Amend. – SG, 92/17) The procedure and the manner of the provision of the data under para 6 shall be determined by an ordinance of the commission.

### **Management of professional scheme by a foreign institution**

Art. 229d. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) An enterprise insurer may provide the management of professional scheme to a foreign institution, observing the labour and insurance legislation of the Republic of Bulgaria and the concluded collective agreement or collective contract.

(2) (Amend. – SG, 92/17) Within a term of two months from receiving the information under art. 229c, para 2, items 1 - 3 from the competent supervisory body, at the seat of business of the foreign institution, the commission shall send to it the provisions of the labour and insurance legislation of the Republic of Bulgaria, relevant to the insurance under professional scheme, and all provisions, applicable to the occasion, related to the investment activity and the disclosure of information. The commission shall notify the competent supervisory body, at the seat of business of the foreign institution, of every change in the Bulgarian labour and insurance legislation, as well as of change in the relevant provisions, connected to the investment activity and the disclosure of information, with respect to the scheme,

managed by the foreign institution.

(3) (Amend. – SG, 92.17) The deputy chairman of the commission and the commission shall exercise supervision for observing the Bulgarian labour and insurance legislation and the applicable provisions, related to the investment activity and the disclosure of information by the foreign institution. In case of established violation, the commission shall immediately notify the competent supervisory body, at the seat of business of the foreign institution and shall co-ordinate the measures necessary for discontinuance of the violation by this institution, proposed by the competent supervisory body.

(4) (Amend. and suppl. – SG, 92.17, amend. SG - 15/18, in force from 16.02.2018) In case that regardless of the measures implemented by the competent supervisory body at the seat of business of the foreign institution or as a result of the lack of suitable measures in this country, the foreign institution continues to offend the provisions, indicated in para 1, the commission after informing the competent supervisory body of the commission, may:

1. apply:

a) mandatory administrative measures;

b) sanctions;

2. forbid the foreign institution to manage professional scheme of the respective insurer.

### **Providing information to the European Insurance and Occupational Pensions Authority as well as to the European Commission**

Art. 229e. (new - SG 21/12) (1) The Commission shall notify the European Insurance and Occupational Pensions Authority of the following:

1. issue of a permission to manage a fund for additional voluntary pension insurance under professional schemes;

2. the Member States in which the pension insurance company carries on business involving professional scheme management of a foreign insurance undertaking ;

3. (amend. – SG, 92/17) imposing the measures under Art. 344, para. 2, item 5, 111,12,13,16 and 17 and Art. 346a, para. 2.

(2) The Commission shall notify the European Insurance and Occupational Pensions Authority of any provisions of prudential nature in the Bulgarian legislation concerning supplementary voluntary pension insurance under professional schemes. The commission shall update regularly the said information, however not less frequently than once in every two years.

(3) The Commission shall notify the European Insurance and Occupational Pensions Authority of any essential difficulties in implementing Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision.

## **Chapter twenty two.**

### **INSURANCE INSTALMENTS AND INDIVIDUAL ACCOUNT (new, SG 67/03)**

#### **Insurance instalments (new, SG 67/03)**

Art. 230. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Insurance instalments shall be made for insurance in the funds for additional voluntary pension insurance.

(2) The instalments under para 1 shall be in cash and they may be monthly, for another period, or one-time.

(3) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Instalments under para 1 in a fund for additional

voluntary pension insurance may be made by:

1. individuals - for their account;
2. employers who are insurers - for their workers and employees;
3. bodies who are insurers for:

a) civil servants;

b) (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entries and the court employees;

c) (amend. - SG 82/06; amend. – SG 25/09, in force from 01.06.2009; amend. – SG 35/09, in force from 12.05.2009) the military servicemen according to the Act on Defence and Armed Forces of the Republic of Bulgaria, civil servants under the Ministry of Interior Act and the civil servants under the Execution of Penalties and Detention Act;

d) assignors who are insurers - for the persons with whom a contract has been concluded for management or control;

4. other insurers - individuals or corporate bodies - in favour of third persons.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Instalments in a fund for additional voluntary pension insurance under professional schemes may be made by:

1. enterprises insurers, established under the terms of the legislation of the Republic of Bulgaria and the one of any other Member state – regarding the persons, insured by them under professional scheme;

2. natural persons, insured under professional scheme.

(5) (prev. text of para 4, amend. and suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments by the insurers under para 3 shall be made to the individual account of the insured person and shall be kept separately from the personal instalments and from the instalments of the other insurer for this person.

(6) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments by the enterprise insurer under para 4 shall be made to the individual account of the insured person and shall be kept separately from the personal instalments.

(7) (prev. text of para 5, suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The payment of insurance instalments by the insurers and the enterprises-insurers shall not oblige the insured person to make instalments for his account.

(8) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments for pension insurance under professional scheme, established in the Republic of Bulgaria, shall continue to be made by or for an insured person, sent on a business trip, who participates in such scheme, during his/her business trip in another Member state.

(9) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case with regards to one person the instalments continue to be made under professional scheme in another Member state, the insured person, sent on a business trip, and where applicable – the enterprise insurer, shall be exempt from all kind of obligations for making insurance instalments under professional scheme in Bulgaria.

### **Prohibition of discrimination (new, SG 67/03)**

Art. 231. (new, SG 67/03) (1) (prev. text of art. 231 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The

insurer may not refuse additional voluntary pension insurance to workers and employees on the grounds of nationality, origin, sex, sexual orientation, race, colour of skin, age, political or other convictions, religious or belief, membership in trade unions and other public organisations and movements, marital, public and material status and presence of psychic and physical disabilities.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At observing the provision of para 1 in case of insurance under professional scheme any discrimination - direct or indirect, on the grounds of sex, especially with regards to the marriage or the family status- shall also be prohibited, in particular to:

1. the application field of the schemes and the terms of access to them;
2. the obligation for deposition of the insurance payments and their calculation;
3. the calculation of the pension payments, including the increase, due to husbands and persons, entitled to maintenance, and the conditions, determining the duration and the retention of the right of pension payment.

### **Team employment negotiations (new, SG 67/03)**

Art. 232. (new, SG 67/03) (1) (prev. text of art. 232 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The supplementary pension insurance carried out by the employer may be subject to the team employment negotiations.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance under professional schemes shall obligatorily be settled in a collective agreement or in a collective contract, having the minimum content as per art. 237, para 3.

### **Obligation for transfer of insurance instalments (new, SG 67/03)**

Art. 233. (new, SG 67/03) (1) (prev. text of art. 233 - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurers shall be obliged, at a request of the insured person, to deduct from his remuneration for the respective month the insurance instalment for his account, and to transfer it to the respective fund for additional voluntary pension insurance.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The enterprises insurers shall deduct the insurance instalment from the remuneration of the insured person for the respective month at his/her expense and shall remit it to the fund for additional voluntary pension insurance under professional schemes.

### **Individual account (new, SG 67/03)**

Art. 234. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The instalments in the funds for additional voluntary pension insurance and the resources transferred from another fund for additional voluntary pension insurance shall be entered and accumulated in the individual account of every insured person by the date of their receipt in the account of the fund.

(2) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) Every insured person may have only one individual account in a fund for supplementary voluntary pension insurance and/or one – in a fund for supplementary voluntary pension insurance under professional schemes. Entries shall be made in the individual account for the instalments made, for the transferred sums and for the collected fees

and charges.

(3) The individual account shall be kept in levs and shares. The instalments for supplementary pension insurance and the resources transferred from other fund shall be accounted as shares and parts of shares.

(4) The charges, as a percentage of each insurance instalment shall be made before their accounting as shares under para 3.

(5) Every share shall represent a proportional part of the net assets of the fund. The shares of one fund shall be equal in value, determined and announced according to para 9.

(6) The value of all shares and parts of shares of the fund shall be equal to the value of the net assets of the fund.

(7) The revenue from investing the resources of the fund shall be included in determining the value of one share according to para 5.

(8) Not admitted shall be re-distribution of resources between the individual accounts.

(9) The order and the way of calculating and announcing the value of one share, as well as the requirements for keeping the individual account shall be determined by an ordinance of the commission.

(10) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) On the day of receipt of the first instalment in each of the funds for additional voluntary pension insurance or on the day of the first registration of the accumulated resources in the individual account in shares, the value of one share shall be equal to one lev.

(11) The accumulated resources in the individual accounts of the insured persons shall not be subject to enforcement.

(12) During the time of accumulation of resources in the individual accounts of the insured persons other deductions besides those stipulated by this code shall not be made.

(13) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At granting pension under professional scheme with insured biometrical risks and/or guaranteed minimum level of profitability and/or definite amount of the pension, the accumulated resources under the individual account of the insured person or a part of the shall be transferred to the assets under art. 213a, para 2 according to the conditions of the insurance contract and of the professional scheme.

## **Chapter twenty three. CONTRACTS (new, SG 67/03)**

### **Conclusion of insurance contract (new, SG 67/03)**

Art. 235. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The contract for additional voluntary pension insurance shall settle the relations regarding the voluntary pension insurance and it shall be concluded between:

1. the pension insurance company, on one hand, and the insured person, the insurer or the other insurer, on another – regarding insurance in a fund for additional voluntary insurance.

2. the pension insurance company, on one hand, and the enterprise insurer, on the other - regarding insurance in a fund for additional voluntary pension insurance under professional schemes.

(2) (Amend. – SG, 92/17) When the insurance contract is concluded between an insurer and a pension insurance company, it shall be in favour of the insured persons.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) With insuring on the basis of a contract under Para. 1, p. 1, an insurer or another insurer shall be required a preliminary

written consent of the person, in whose favour the contract is signed. The written consent of every person shall be provided to the pension insurance company before or with the transfer of the first insurance contribution for it. Where there is no preliminary consent by the concrete person, the pension insurance company shall return the insurance contribution for it to the insurer or the other insurer.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In the cases of insurance in a fund for additional voluntary pension insurance under professional schemes at conclusion of the insurance contract the enterprise insurer shall present to the pension insurance company the collective agreement, respectively copy-excerpt of the collective agreement, with the conditions of the professional scheme and a list of the insured persons, included in this scheme.

### **Information and consultation**

Art. 235a. (New – SG, 92/17) Before signing a pension contract or a contract for delayed payment, the pension insurance company shall be obliged to inform the insured person with his rights in relation to the acquired right to pension and to consult him at the choice of the most suitable payment.

### **Restrictions of the rights of the insured persons (new, SG 67/03)**

Art. 236. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary insurance may restrict the right of the insured person:

1. to draw or transfer resources installed in his favour for additional voluntary pension insurance for the account of another insurer;

2. to transfer the resources for voluntary pension insurance installed in his favour for the account of the employer or persons under art. 230, para 3, item 3.

(2) The restrictions under para 1, item 2 shall not apply where:

1. the insurance contract has been terminated;

2. the legal terms of employment, the official legal terms of relation or the contract for management or control have been terminated.

(3) (new - SG 46/18, in force from 21.05.2018) When insuring their employees and of the persons with whom management and control contracts have been concluded, the persons under Art. 230, para. 3, item 2 and 3 and the insurer enterprises, established under the legislation of the Republic of Bulgaria may apply a standstill period of not more than 6 months from the date of the start of the legal relationship with the person concerned.

(4) (new - SG 46/18, in force from 21.05.2018) When a standstill period applies, the persons under Art. 230, para. 3, items 2 and 3 and the insurer enterprises, established under the legislation of the Republic of Bulgaria upon request, provide to their employees and to the persons with whom contracts for management and control have been concluded within 7 days written information on the applicable standstill period and its consequences upon termination of the legal relationship.

(5) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, prev. para. 3, amend. and suppl. - SG 46/18, in force from 21.05.2018) In the cases of insurance under professional scheme the restrictions of the rights of the insured persons and their dropping out shall be settled by the collective contract, respectively by the collective agreement for the professional scheme, insofar as this Code does not provide otherwise.

### **Content of the insurance contract (new, SG 67/03)**

Art. 237. (new, SG 67/03) (1) (prev. text of - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract shall obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) the name/s and addresses of the parties to the contract, the judicial registration and the unified identification code of the fund for supplementary voluntary pension insurance or of the fund for supplementary voluntary pension insurance under professional schemes, the pension licence and the commercial registration of the pension insurance company managing the fund for supplementary voluntary pension insurance and the unified identification code or the respective information of the foreign institution;

2. (suppl. - SG 46/18, in force from 21.05.2018) the subject and the scope of the insurance, as well as the standstill period, if applicable;

3. the size of the insurance instalment;

4. the conditions, the order and the way of payment of the insurance instalment and of the supplementary pension by the fund;

5. (new – SG, 92/17) the rights and duties of the parties of the contract and of the successors of the insured person;

6. (new – SG, 92/17) information, that the insured person/s are not guaranteed profitability or keeping the complete amount of the contributed by them funds;

7. (former p. 5 – SG, 92/17) the date of conclusion and enactment of the insurance contract;

8. (former p. 6 – SG, 92/17) the terms of termination of the contract;

9. (former p. 7 – SG, 92/17) the size of the fees and charges.

10. (new – SG, 92/17) procedure and way of receiving information;

11. (new – SG, 92/17) the names in the identity document and the official number in the pension insurance company of the insured mediator, or of the authorized person by an insurance mediator – legal person, in the cases, where the contract has been signed with his mediation.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Except the information under para 1, the insurance contract for insurance in a fund for supplementary voluntary pension insurance under professional schemes shall also contain the full description of the scheme.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The professional scheme shall specify:

1. (suppl. - SG 46/18, in force from 21.05.2018) the conditions and the scope of the insurance, as well as the standstill period, if applicable;

2. the kinds of pension payments;

3. the amount of the insurance instalment.

### **Term (new, SG 67/03)**

Art. 238. (new, SG 67/03) The insurance contract shall be without fixed term and shall be drawn up and signed in as much copies as the parties to it are.

### **Obligation for submitting the rules and of the investment policy of the fund**

Art. 239. (new, SG 67/03; suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) With conclusion of a contract for insurance in a fund for voluntary pension insurance or in a fund for supplementary voluntary pension insurance under professional schemes the insured person, as well as every person under Art. 230, Para. 3, p. 2 – 4 and Para. 4, p. 1 shall receive, on request, against a signature a certified copy of the rules and of the investment policy of the fund, in effect by the date of conclusion of the contract.

### **Termination of the insurance contract (new, SG 67/03)**

Art. 240. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary pension insurance or in a fund for additional voluntary pension insurance under professional schemes may not be terminated unilaterally by the pension insurance company except in the cases stipulated by this code.

(2) The insurance contract shall be terminated obligatorily in the following cases:

1. for death of the insured;
2. when the insured, by his own will, chooses another pension insurance company;
3. for one-time drawing of the whole accumulated sum of the individual account;
4. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) in case of death of another insurer – natural person.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The insurance contract for insurance in a fund for additional voluntary pension insurance under professional schemes shall be terminated in case of transfer of the professional scheme in another fund for additional voluntary pension insurance under professional schemes.

### **Pension contract (new, SG 67/03)**

Art. 241. (new, SG 67/03) (1) On acquiring a right of pension under the requirements of this division a pension contract shall be concluded with the pension insurance company.

(2) The pension contract shall obligatorily contain the details under art. 169a, para 2.

### **Contract for delayed payment**

Art. 241a. (New – SG, 92/17) On the contract for delayed payment of funds from funds for supplementary voluntary pension insurance and form a fund for supplementary voluntary pension insurance on professional schemes, the provision of Art. 169b shall apply accordingly.

### **Consultative Council (new, SG 67/03)**

Art. 242. (new, SG 67/03) (1) The interests of the insured persons in a fund for additional voluntary pension insurance shall be represented by a consultative council.

(2) The requirements for the members, rights and obligations of the consultative council shall be determined by an ordinance of the Council of Ministers on a proposal of the commission.

## **Chapter twenty four. RIGHTS OF THE INSURED PERSONS (new, SG 67/03)**

### **Personal pension for old age (new, SG 67/03)**

Art. 243. (new, SG 67/03; amend., SG 112/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The right of a personal pension for old age at insurance in a fund for additional voluntary pension insurance shall occur in acquiring a right of pension for insured practice and age by the order of Part One.

(2) (amend. – SG 100/10, in force from 01.01.2011, suppl. – SG, 92/17) By a choice of the insured person the fund for supplementary voluntary pension insurance may pay a personal pension on



accomplishment of the age for acquiring pension right for pensionable service and age under art. 68, para 1, or up to five years before the accomplishment of this age by the person.

(3) The pension in case of insurance in a fund for additional voluntary pension insurance may be for life or for a fixed term by a choice of the insured person.

(4) The right of personal pension for old age in case of insurance in a fund for additional voluntary pension insurance under professional schemes shall arise at accomplishing 60 years of age for the women and the men.

(5) The pension under para 4 shall be with a fixed term according to the conditions of the professional scheme.

(6) According to the conditions of the professional scheme, settled in the collective contract, respectively in the collective agreement, the fund for additional voluntary pension insurance under professional schemes may pay off to the insured person the pension for old age for up to 5 years prior to accomplishment of 60 years of age.

### **Personal disability pension (new, SG 67/03)**

Art. 244. (new, SG 67/03) (1) (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The right of personal disability pension at insurance in a fund for additional voluntary pension insurance shall occur on the date of the occurrence of the disability indicated by the decision of the territorial expert physicians commission or of the National expert physicians commission.

(2) The personal disability pension may be for life or for a fixed term, depending on the decision of the bodies under para 1.

### **Rights of the legatees (new, SG 67/03)**

Art. 245. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The persons entitled to a hereditary pension from a fund for additional voluntary pension insurance, shall be determined by the regulations of the fund and shall be indicated in the insurance contract.

(2) Upon the death of the insured person and, when there are no persons under para 1, the accumulated resources of the individual account shall be due to the legatees by law.

(3) If there are no persons under para 1 and there are no legatees by law the accumulated resources of the individual account shall remain in the reserve for payment of a lifetime pension.

(4) On the death of a pensioner, and where there are no persons under para 1, the remainder of the resources of his individual account shall be paid to his legatees by law.

(5) Where there are no persons under para 1 and legatees of a deceased pensioner the due resources shall remain in the pension reserve.

(6) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The persons, who are entitled to one-time or deferred payment from a fund for additional voluntary pension insurance under professional schemes in the event of death of the insured person or a pensioner, shall be determined in the collective agreement or the collective contract.

(7) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In case there are no persons under para 6, the accumulated resources at the individual account shall be due according to the Inheritance Act.

### **Size of the pension (new, SG 67/03)**

Art. 246. (new, SG 67/03) (1) The size of the lifetime pension under this division shall be determined on the basis of:

1. the accumulated resources of the individual account;
2. (amend. – SG, 92/17) the biometrical tables approved by the commission;
3. (amend. – SG, 92/17) the technical interest rate approved by the commission.

(2) (New – SG, 92/17) With calculation of the pension under Para. 1, the life expectancy shall not be higher than the one, defined in the biometrical tables.

(3) (Former Para. 2 – SG, 92/17) The size of the pension for a fixed period under this Title shall be determined on the basis of:

1. the accumulated sum of the individual account;
2. the period of receiving;
3. (amend. – SG, 92/17) the technical interest rate approved by the commission.

(4) (new – SG 100/07, in force from 20.12.2007; amend. – SG 20/13, in force from 26.02.2013, former Para. 3 – SG, 92/17) The use of sex as an actuarial factor in the calculation of lifetime pension in a supplementary voluntary pension insurance fund shall not be allowed.

(5) (new – SG 100/07, in force from 20.12.2007, former Para. 4 – SG, 92/17) The pension insurance company shall update the tables referred to in Para 1, Item 2 in case of:

1. significant changes of the official statistical information they rely on;
2. arisal, in their discretion, of significant changes in the length of life of the insured persons in the aggregate of the fund for supplementary voluntary pension insurance.

(6) (new – SG 100/07, in force from 20.12.2007, former Para. 5, amend. – SG, 92/17) The updated tables shall be made available for approval to the commission together with the actuary research reasoning the changes.

(7) (new – SG 100/07, in force from 20.12.2007, former Para. 6, amend. – SG, 92/17) In case of significant changes to the official statistical information, on which the tables referred to in Para 1, Item 2 are based, the commission may oblige the pension insurance company to make the necessary changes therein and make them available for approval.

(8) (new – SG 100/07, in force from 20.12.2007, former Para. 7, amend. – SG, 92/17) In the cases referred to in Para 6 and 7 the commission, upon proposal of the deputy chairperson of the commission shall deliver a decision within one month from receipt of the tables and where the deputy chairperson of the commission has required introduction in a set term by him supplementary documents and/or information or has given instructions for removal of technical errors in calculations or of incompliance with the provision of this code, the instruments of its implementation, or official statistical information, on which the biometrical tables are based – within 1 month term from their production. The applicant shall be notified in writing about the decision within 7-day term.

(9) (new – SG 100/07, in force from 20.12.2007, former Para. 8, amend. – SG, 92/17) The commission shall refuse the approval of the changes of the tables referred to in Para 1, Item 2 where:

1. (new – SG 20/13, in force from 26.02.2013, amend. – SG, 92/17) the requirements set out in this Code and the instruments on its implementation have not been met;
2. (prev. text of item 1 – SG 20/13, in force from 26.02.2013) the changes do not correspond to the current official statistical information for the country;
3. (prev. text of item 2 – SG 20/13, in force from 26.02.2013) the actuary research presented by the pension insurance company does not justify the requested changes;
4. (prev. text of item 3 – SG 20/13, in force from 26.02.2013) appropriate actuary methods for their preparation have not been used;
5. (prev. text of item 4 – SG 20/13, in force from 26.02.2013, amend. – SG, 92/17) supplementary documents and information have not been produced, the errors or incompliance have not been removed, or new ones have been made.

(10) (New – SG, 92/17) In case of a change of the amount of the technical interest rate, the

pension insurance company shall produce to the commission a grounded proposal with a request of its approval.

(11) (New – SG, 92/17) The commission, upon proposal of the deputy chairperson of the commission shall pronounce within 1-month term from submission of the request for approval of the technical interest rate, and where the commission deputy chairperson has required introduction in a term, set by him of supplementary documents and/or information, or has given instructions for removal of technical errors or of incompliance with the provisions of this Code, the instruments of its implementation or other documents – within 1 month term from their production. In the cases, where the required documents or information have not been submitted, the commission shall pronounce within 1-month term from expiry of the term, defined for their production. The applicant shall be notified in writing about the decision, within 7- day term.

(12) (New – SG, 92/17) The commission shall refuse to approve the proposed by the pension – insurance company amount of the technical interest rate, where:

1. the requirements of this Code and the instruments on its implementation have not been observed;

2. the produced proposal by the company has not been grounded;

3. supplementary documents or information have not been produced, the errors or incompliance have not been removed, or new ones have been made.

(13) (New – SG, 92/17) In case of substantial changes in the conditions, in which the technical interest rate has been approved, the commission may oblige the pension insurance company to make the needed changed in the size of the technical interest rate and produce it for approval.

**Right of transfer from a fund for additional voluntary pension insurance or from a fund for additional voluntary pension insurance under professional schemes (Title amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union)**

Art. 247. (new, SG 67/03) (1) The insured person shall have the right to transfer the accumulated resources of the individual account, or a part of them, to another fund for additional voluntary pension insurance, established and managed by another pension insurance company, but not more than once within one calendar year.

(2) (Amend. – SG, 92/17, in force from 01.04.2018) In cases other than those under para 1 the insured person shall have the right to transfer the accumulated resources of the individual account to another fund, managed by another pension insurance company, on disagreement with introduced changes in the regulations for the organisation and activity of the fund or in its investment policy, if, within three months from the notification under art. 229, para 5, or Art. 175a, Para. 4 he files an application to that end, unless these changes ensue from amendments of the normative provision.

(3) The insured person shall have the right, not more than once within a calendar year, to transfer the resources accumulated in his individual account from personal insurance instalments or parts of them, to an individual account in the same or another fund for additional voluntary pension insurance of a spouse or relatives on the direct line up to second degree.

(4) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) At termination of the legal relations between the enterprise insurer and the insured person, the latter shall be entitled to transfer the accumulated resources from personal insurance instalments to the individual account or a part of them from one fund for additional voluntary pension insurance under professional schemes in other such fund, managed by another pension insurance company.

(5) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Professional scheme may be transferred from one fund

for additional voluntary pension insurance under professional schemes in other relevant fund, managed by another pension insurance company on the grounds of additional agreement between the parties to the collective agreement, respectively to the collective contract.

(6) (prev. text of para 4, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The order and the way of transfer of the accumulated resources to the individual account shall be determined by the ordinance under art. 171, para 5.

### **Right of drawing and payment of accumulated resources (new, SG 67/03)**

Art. 248. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The insured person shall have the right to draw:

1. the resources of personal insurance instalments accumulated in the individual account at any time – at insurance in a fund for additional voluntary pension insurance;
2. the resources accumulated by instalments of the insurer - only on acquiring right of personal pension for old age or disability.

(2) (Amend. – SG, 92/17) On acquiring a right of personal pension for old age under Art. 243, Para. 1, 2, 4 and 6, or for disability under Art. 244, Para. 1 from funds for supplementary voluntary pension insurance, the insured shall have the right to a choice between the respective kinds of pension under the conditions of this division or to a one-time or deferred payment of the accumulated resources of his individual account.

### **Retention of rights at movement between Member states**

Art. 248a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) (amend. - SG 46/18, in force from 21.05.2018) The insured persons with regards to whom the deposition of instalment payments is stopped as a result of their relocation from the Republic of Bulgaria to another Member state, shall retain their rights in the same degree as the persons, with regards to whom instalment payments are no longer deposited, who, however, remain in the Republic of Bulgaria.

(2) (amend. - SG 46/18, in force from 21.05.2018) Paragraph 1 shall also be applied the persons under Art. 245.

### **Payments abroad**

Art. 248b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) Payments for persons insured under professional scheme, as well as for other persons, who have rights according to such scheme, shall be carried out in other Member states after deduction of the taxes due and the expenses for the transfer.

## **Chapter twenty five. INVESTMENTS (new, SG 67/03)**

### **Order of investing (new, SG 67/03)**

Art. 249. (1) (new, SG 67/03, amend. - SG 17/06; amend. - SG 56/06, in force from 01.01.2007; prev. text of Art. 249, amend. - SG 22/15, in force from 24.03.2015, amend. – SG, 92/17, in force from 18.11.2018) The provisions of Chapter Fourteen shall apply to the investments of funds for

supplementary voluntary pension insurance, except for Art. 178, 180a and 180b.

(2) (new - SG 22/15, in force from 24.03.2015, amend. – SG, 92/17, in force from 18.11.2018) The provisions of Chapter Fourteen shall apply to the investments of funds for supplementary voluntary pension insurance under occupational schemes, except for Art. 175a, 178, 180a and 180b.

**Investment of the resources (new, SG 67/03)**

Art. 250. (new, SG 67/03; amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) In investing the resources of funds for additional voluntary pension insurance shall not apply the requirements for a minimal profitability.

**Investment restrictions (new, SG 67/03)**

Art. 251. (new, SG 67/03, amend. - SG 17/06) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union; amend. – SG 41/09, in force from 02.06.2009, amend. – SG, 92/17, in force from 18.11.2018) Not more than 5 percent of the assets of the fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments, issued by one issuer. In this restriction:

1. shall not be included the debt securities under Art. 176, Para. 1, p. 1, letters “a” and “b”;
2. shall not be included the debt securities under Art. 176, Para. 1, p. 1, letter “c” with investment credit rating;
3. where the issuer is a bank, also the deposits of the fund shall be included in this bank, the value of the back-repo transactions with it under Art. 179a, Para. 1 and the value of the net exposition of the forward currency contracts and the interest swap contracts to the same bank;
4. where the issuer is financial institution, the value of the net exposition on the forward currency contract and the interest swap contracts shall be included to it.

(2) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) The total value of the investments of a fund for supplementary voluntary pension insurance, respectively of a fund for supplementary voluntary pension insurance on professional scheme in financial instruments, issued by companies of one group and the persons, with whom these companies are in close relations, shall not exceed 10% of the fund assets. In this restriction shall also be included:

1. deposits of the fund in banks of the group and banks, which are in close relations with companies of the group, the value of the back-repo transactions under Art. 179a, Para. 1 with these banks and the value of the net exposition to them on the forward currency contracts and the interest swap contracts;
2. the value of the net exposition on the forward currency contracts and the interest swap contracts with financial instruments of the group and financial instruments, where they are in close relations with companies of the group.

(3) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) No more than 5 percent of the assets of a fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in deposits in one bank.

(4) (Amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) No more than 2 percent of the assets of the funds for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments under 176, par. 1, item 7.

(5) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union; amend. – SG 41/09, in force from 02.06.2009, amend. – SG, 92/17, in force from 18.11.2018) No more than 3 percent of the assets of the fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments under Art. 176, par. 1, item 8.

(6) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) No more than 2 percent of the assets of the funds for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments under Art. 176, Para. 1, p. 9.

(7) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union; amend. – SG 41/09, in force from 02.06.2009, amend. – SG, 92/17, in force from 18.11.2018) Not more than 10 percent of the assets of the fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments under Art. 76, Para. 1, p. 10, where not more than 2% of the relevant fund assets may be invested in companies with special investment purpose, securitizing receivables.

(8) (New - SG 62/17, amend. – SG, 92/17, in force from 18.11.2018) No more than 10 percent of the assets of the fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in shares or assets of collective investment schemes, managed by one and the same managing company.

(9) (new - SG 92/17, in force from 18.11.2018) No more than 2 percent of the fund assets for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be invested in financial instruments under Art. 176, Para. 1, p. 12.

(10) (New – SG, 56/06, previous Para. 9 – SG, 92/17, in force from 18.11.2018) Not more than 5% of the funds, accumulated in a certain professional scheme may be invested in securities, issued by the insurer undertaking.

(11) (new - SG 56/06, in force from 01.01.2007, prev. para. 9 - SG 62/17) Not more than 10 percent of the resources, accumulated under definite professional scheme, may be invested in securities, issued by the enterprise insurer, which has created the scheme, and the persons related to it.

(12) (new - SG 56/06, in force from 01.01.2007, prev. para. 10 - SG 62/17, former Para. 11 – SG, 92/17, in force from 18.11.2018) Foreign institution may invest the resources, related to activity under art. 229d, observing the following restrictions:

1. not more than 30 percent of the resources may be invested in securities, which are not accepted for trade on a regulated market of securities;
2. not more than 5 percent of the resources may be invested in securities, issued by one issuer;
3. not more than 10 percent of the resources may be invested in securities, issued by one issuer and the persons, related to him/her;
4. not more than 30 percent of the resources may be denominated in a currency, other than BGN and euro.

(13) (New – SG, 92/17, in force from 18.11.2018) Not more than 30% of the assets of a fund for supplementary voluntary pension insurance, or of a fund for supplementary voluntary pension insurance on professional schemes may be denominated in currency, other than BGN an EUR with the exception of the assets, for which there is restriction of the currency risk through signed hedging transaction under Art. 179b.

(14) (New – SG, 92/17, in force from 18.11.2018) Not more than 10% of the Assets of the funds for supplementary voluntary pension insurance may be invested in investment properties under Art. 176, Para. 1, p. 13, where the investment in one property shall not exceed 5% of the funds assets.

(15) (New – SG, 92/17, in force from 18.11.2018) The concrete requirements and restriction to the investments shall be defined in the investment policy of the relevant fund.

### **Violation of the requirements and restrictions because of objective reasons**

Art. 251a. (new - SG 17/06) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018) (1) The pension insurance company shall be obliged to follow daily for the observation of the requirements of Art. 176 and 179b and of the investment policy of the managed by it fund for supplementary voluntary pension insurance, or fund for supplementary voluntary pension insurance on professional schemes. In case that acquired assets because of objective reasons cease to meet the indicated requirements, the pension insurance company shall be obliged to notify the commission about this within 7-day term from the date of the change and to comply the fund assets with the requirements within 6-month term from the change.

(2) The pension insurance company shall be obliged to follow daily for the observation of the restrictions under Art. 177a, Art. 179a, Para. 1, Art. 251 and of the envisaged restrictions in the investment policy of the managed by it fund for supplementary voluntary pension insurance, or fund for supplementary voluntary pension insurance on professional schemes and to comply the assets of the fund with them in the frames of 6 months from the date of exceeding the relevant investment restriction, where it is due to:

1. change in the market price or of the price, used for carrying out a follow-up assessment of a fund asset;
2. change in the total value of the fund assets;
3. acquiring rights on the fund assets in its capacity of shareholder of a certain issuer;
4. decreasing the capital of a certain issuer;
5. decreasing the number of assets and/or shares of a collective investment scheme;
6. other objective reasons, grounded in writing and documented by the pension insurance company.

(3) In the cases under Para. 2, by the time, the assets of the fund for supplementary voluntary pension insurance, or fund for supplementary voluntary pension insurance on professional schemes are complied with the legal requirements, the pension insurance company shall not acquire at the expense of the fund assets in relation to which the restriction is violated.

(4) Where in case of reformation of the fund for supplementary voluntary pension insurance, or fund for supplementary voluntary pension insurance on professional schemes the restrictions under Art. 177a, 179a and/or 251 of the newly formed or accepting fund have been violated, its assets shall be complied with those restrictions within 6-month term from the date of entry of the merging or joining in the relevant register.

### **Non-applying the restrictions**

Art. 251a<sup>1</sup>. (New – SG. 92/17, in force from 18.11.2018) While observing the principles of Art. 175, the pension insurance company, which has received permits to manage funds for supplementary voluntary pension insurance, may not apply the restrictions under Art. 177a, 179a and 251 in the term of up to 6 months from their receiving.

### **Investment of the resources for covering the technical reserves**

Art. 251b. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) (1) The resources for covering the technical reserves under art. 213a, para 1, item 2 shall be invested in correspondence with the nature and the duration of the provided for pension payments.

(2) The assets under para 1 may not be pawned, mortgaged and encumbered with other encumbrances.

(3) The assets for covering the technical reserves shall be differentiated and allocated in such a manner that not a single category of them, the market, on which they are traded or individual investment is of considerable share.

(4) An investment in category of assets, which have high percent of risk because of their essence or the characteristics of the issuer, as well as the share of the assets for covering technical reserves, which has low liquidity, must be reduced to prudent levels.

(5) The order and the manner of investing assets for covering technical reserves, the restrictions at their investment and the rules for determination and assessment of the assets for covering the reserves shall be defined by ordinance of the commission.

### **Investment policy**

Art. 251c. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) A pension insurance company, managing a fund for supplementary voluntary pension insurance under professional schemes, shall adopt and reassess in every three years, as well as immediately after every essential change, investment policy for the management principles of the fund with minimum content, determined by an ordinance of the commission, which includes the methods of risk assessment of the investments, implemented techniques of risk management and strategic allocation of the assets with respect to the nature and the duration of the pension liabilities, as well as other terms of importance for the managed schemes. The investment policy shall be presented to the commission within a term of three months following the end of the respective financial year.

## **Chapter twenty six.**

### **ACCOUNTANCY (new, SG 67/03)**

#### **Accountancy of the funds for supplementary voluntary pension insurance (Title amend. – SG 92/17)**

Art. 252. (new, SG 67/03) (1) (prev. text of art. 252, amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The pension insurance company shall organise and carry out the accountancy and shall draw up the financial reports of the funds for additional voluntary pension insurance in compliance with the provisions of Chapter Fifteen.

(2) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) The pension insurance company or the foreign institution shall work out annual report on each professional scheme, containing accountancy data on the accumulated resources and the taxes and deductions made. The type, form and the contents of the annual report shall be specified by the commission.

(3) (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) The annual reports under para 2 shall be presented to the enterprise insurer under the professional pension scheme and to the commission within a term of three months following the end of the respective financial year.

## **Chapter twenty seven.**

### **TAX RELIEF (new, SG 67/03)**



### **Tax exemption (new, SG 67/03)**

Art. 253. (new, SG 67/03) (1) (amend. – SG 95/09, in force from 01.01.2010) The revenue of the funds for additional voluntary pension insurance and similar revenue, directly related to the voluntary pension insurance, carried out by persons, registered under the laws of another Member State, who may according to those laws carry out activities for voluntary pension insurance, shall not be levied with tax by the order of the Corporate Income Tax Act.

(2) (amend. - 95/06, in force from 01.01.2007) The revenue from investment of the assets of the fund for additional voluntary pension insurance, distributed among the individual accounts of the insured persons, shall not be levied with tax by the order of the Income Taxes on Natural Persons Act.

(3) The services on supplementary pension insurance shall not be levied with tax by the order of the Value Added Tax Act.

(4) The financial result of the pension insurance company shall be reduced by:

1. the own resources of the company covering a shortage of the pension reserves;
2. the revenue from investment of the resources of the pension reserves.

### **Deduction of the personal instalments from the taxable revenue (new, SG 67/03)**

Art. 254. (new, SG 67/03; amend. - 95/06, in force from 01.01.2007) The personal instalments for additional voluntary pension insurance of the individuals shall be deducted from their income before taxation by an order, in a way and in sizes determined by the Income Taxes on Natural Persons Act.

### **Recognition of expense (new, SG 67/03)**

Art. 255. (new, SG 67/03) The instalments of the insurers for additional voluntary pension insurance shall be recognised as expense by an order, in a way and in sizes determined by the Corporate Income Tax Act.

## **Chapter twenty eight. FEES AND CHARGES (new, SG 67/03)**

### **Legally established fees and charges (new, SG 67/03)**

Art. 256. (1) (new, SG 67/03, former text of Art. 256 -SG, 92/17, in force from 18.11.2018) The pension insurance company shall collect fees and charges for the management of the funds for supplementary voluntary pension insurance as follows:

1. one-time introductory fee for opening an individual insurance account - not more than 10 BGN;
2. charge as a percentage of each insurance instalment - up to 7 percent;
3. investment fee amounting to 10 percent of the income realised by the investment of the resources.

(2) (New – SG, 92/17, in force from 18.11.2018) The procedure and way for calculation and sending the fee under Para. 1, p. 3 shall be defined by an ordinance of the commission.

### **Additional fees (new, SG 67/03)**

Art. 257. (new, SG 67/03) (1) The pension insurance company may collect supplementary fees in the following cases:

1. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, repealed, - SG, 92/17, in force from 01.04.2018).

2. for each drawing (in full or partially) of the accumulated resources of the individual insurance account before the acquisition of the right of personal pension for old age or disability;

3. (repealed, - SG, 92/17, in force from 01.04.2018).

4. (new – SG 19/10; amend. – SG 60/11, in force from 05.08.2011, amend. – SG, 92/17, in force from 01.04.2018) in case of transfer of the individual account funds to a scheme according to Art. 343a, Para 1, Item 2.

(2) (Amend. – 92/17, in force from 01.04.2018) The fee under para 1, item 2 shall not be paid by the successors of the passed away insured person or a pensioner.

### **Size of the fees and charges (new, SG 67/03)**

Art. 258. (new, SG 67/03) (1) (amend. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) The concrete size of the fees and charges under this chapter shall be determined by the regulations of the funds for additional voluntary pension insurance.

(2) The fees under art. 257, para 1 shall be up to 20 BGN.

### **Lawfulness of the fees (new, SG 67/03)**

Art. 259. (new, SG 67/03, former text of Art. 259 – SG, 92/17) The pension insurance companies may not collect other fees and charges besides those stipulated in this chapter.

(2) (New – SG, 92/17) All the costs for management of the funds for supplementary voluntary pension insurance shall be at the expense of the pension insurance company, which manages them, with the exception of the costs for acquiring and sale of assets.

## **Division four.**

### **ADDITIONAL VOLUNTARY INSURANCE FOR UNEMPLOYMENT AND/OR PROFESSIONAL QUALIFICATION (new, SG 67/03)**

#### **Chapter twenty nine.**

#### **GENERAL (new, SG 67/03)**

### **Principles (new, SG 67/03)**

Art. 260. (new, SG 67/03) (1) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out in observance of the principles of:

1. voluntariness of participation;
2. corporate independence of the insurance company and of the fund for additional voluntary insurance for unemployment and/or professional qualification;
3. transparency, severalty and exclusivity of the activity;
4. permit regime and state regulation;
5. obligatory periodical reporting and disclosure of information;
6. loyal competition between the insurance companies.

(2) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out on principle of capital coverage on the basis insurance instalments determined in advance in the contract with the insurance company.

### **Management of the resources of the funds for additional voluntary insurance for**

### **unemployment and/or professional qualification (new, SG 67/03)**

Art. 261. (new, SG 67/03) The resources of the fund for additional voluntary insurance for unemployment or professional qualification shall be managed with the care of a good entrepreneur in observance of the principles of reliability, liquidity, profitability and diversification, to the interest of the insured persons.

#### **Insured persons (new, SG 67/03)**

Art. 262. (new, SG 67/03) (1) In the funds for additional voluntary insurance for unemployment or professional qualification may voluntarily insure themselves or be insured:

1. workers and employees;
2. civil servants;
3. (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entry and court employees;
4. (amend. - SG 82/06; amend. – SG 25/09, in force from 01.06.2009) military servicemen according to the Act on Defence and Armed Forces of the Republic of Bulgaria, civil servants under the Ministry of Interior Act and civil servants under the Execution of Penalties and Detention Act;
5. contractors under contracts for management and control of trade companies;
6. (amend., SG 112/03; amend. - SG 12/15) persons registered as practising free lance profession, craftsmanship or farmers or tobacco producers;
7. persons practising labour activity as sole entrepreneurs, owners or partners in trade companies;
8. persons sent to work abroad by a Bulgarian mediator;
9. persons carrying out other labour activity without legal terms of employment;
10. (new – SG 99/09, in force from 01.01.2010) seafarers.

(2) The persons under para 1 shall be insured through conclusion of a contract with an insurance company for unemployment and/or professional qualification under the conditions and by the order of this Division.

### **Participation in a fund for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)**

Art. 263. The participation in a fund for additional voluntary insurance for unemployment or professional qualification shall run from the moment of conclusion of the insurance contract.

### **Rights related to insurance in a fund for additional voluntary insurance for unemployment and/or professional qualification (new, SG 67/03)**

Art. 264. (new, SG 67/03) (1) The insurance in a fund for additional voluntary insurance for unemployment gives a right to a monetary indemnification for unemployment.

(2) The insurance in a fund for additional voluntary insurance for professional qualification shall give the right to payment of resources for training upon declared necessity by the insured person or by the insurer - jointly or severally.

(3) The insured person shall have the right to administer the resources accumulated in their individual account, under the conditions and by the order of this Division, the regulations of the funds and the insurance contracts.

(4) The insurers shall have the right to administer the resources accumulated in their account under the conditions and by the order of this Division, the regulations of the funds and the insurance contracts.

**Chapter thirty .**  
**FUNDS FOR ADDITIONAL VOLUNTARY INSURANCE FOR UNEMPLOYMENT OR**  
**PROFESSIONAL QUALIFICATION (new, SG 67/03)**

**Establishment, management and representation (new, SG 67/03)**

Art. 265. (new, SG 67/03) (1) The additional voluntary insurance for unemployment and/or professional qualification shall be carried out through participation in a fund for additional voluntary insurance for unemployment or professional qualification which shall be established and managed by licensed insurance companies for unemployment and/or professional qualification.

(2) The fund for additional voluntary insurance for unemployment or professional qualification shall be established by a decision of the general assembly of the insurance company for unemployment and/or professional qualification, which shall also adopt regulations of the fund.

(3) One insurance company for unemployment and/or professional qualification may establish and manage one fund each for additional voluntary insurance for unemployment and one fund for additional insurance for professional qualification.

(4) The fund for additional voluntary insurance for unemployment or professional qualification shall be managed and represented by the managing bodies of the insurance company.

(5) The insurance company for unemployment and/or professional qualification and the fund for additional voluntary insurance for unemployment or the fund for additional insurance for professional qualification shall be separate corporate bodies.

(6) The funds for additional voluntary insurance for unemployment or professional qualification shall be established for an indefinite period.

(7) The seat and the address of management of the fund for additional voluntary insurance for unemployment or professional qualification shall obligatorily coincide with the seat and address of management of the insurance company.

**Liability of the insurance company for unemployment and/or professional qualification (new, SG 67/03)**

Art. 266. (new, SG 67/03) (1) The insurance company for unemployment and/or professional qualification shall bear proprietary liability to the insured persons for losses having occurred as a result of unconscientious fulfilment of their obligations regarding the management and representation of the fund for additional voluntary insurance for unemployment or professional qualification.

(2) The insurance company under para 1 shall guarantee by its assets the fulfilment of its obligations to the insured persons.

(3) The fund for additional voluntary insurance for unemployment or professional qualification shall not be liable for the obligations and for the losses of the insurance company managing and representing it.

**Name of a fund for insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 267. (new, SG 67/03) (1) The name of a fund for insurance for unemployment or professional qualification shall obligatorily contain, in a combination, the words "additional", "voluntary", "insurance", "for unemployment", "for professional qualification" and "fund" or their derivatives, as well as indication for the kind of the fund.

(2) Only a fund, registered in compliance with this code, may use in its name, in a combination,

the words under para 1 or their equivalents in Bulgarian or foreign language.

**Prohibition of title by prescription (new, SG 67/03)**

Art. 268. (new, SG 67/03) The assets of the fund for additional voluntary insurance for unemployment or professional qualification may not be acquired by prescription.

**Permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 269. (new, SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The permit for management of a fund for supplementary voluntary insurance for unemployment or professional qualification shall be issued by the commission upon proposal of the deputy chairman. To obtain a permit the licensed insurance company for unemployment and/or professional qualification shall file a written request enclosing:

1. the decision of the general assembly of the insurance company for establishing a fund for additional voluntary insurance for unemployment or professional qualification;
2. the regulations for the organisation and activity of the fund;
3. samples of insurance contracts;
4. preliminary contract with a bank-trustee and investment mediator;
5. reference for the programme and technical provision of the informational system of the fund;
6. financial report of the company by the last day of the preceding month;
7. reference for the organisational structure of the company and its personnel;
8. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the insurance company.

(2) The deputy chairman of the commission may also require other data and additional information in connection with the documents under para 1 and set a deadline for their submission.

**Term of consideration of the request for permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 270. (new, SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairman shall give or refuse a permit within one month from filing the request under art. 269 and, when supplementary information and documents are required - within one month from their presentation.

(2) Where the request for issuance of permit accepted with missing or irregular documents the deputy chairman of the commission shall inform, within 14 days, the insurance company about the irregularities and shall set a deadline for their correction.

(3) (Amend. – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairman shall inform in writing the applicant about the decision under para 1 within 7 days from its being taken.

**Refusal to issue permit for management of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 271. (new SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The commission shall refuse to issue permit where:

1. after the expiration of the set deadline under art. 270, para 1 and 2 the additional documents or information have not been presented or the irregularities have not been corrected;

2. the requirements of this code have not been met;
3. there is no necessary financial, personnel or informational provision of the insurance company.

(2) In case of a refusal the insurance company may file a new request for obtaining a permit for managing a fund for additional voluntary insurance for unemployment or professional qualification not earlier than 6 months from the date of the refusal.

### **Court registration (new, SG 67/03)**

Art. 272. (SG 67/03) (1) (Amend. – SG, 92/17, in force from 18.11.2018) The district court at the place of the seat of the fund for supplementary voluntary insurance for unemployment or professional qualification shall enter in its register the fund if the insurance company has filed an application for registration within 6 months from obtaining the permit from the commission.

(2) The application for court registration shall contain:

1. the name, the seat and the address of management of the insurance company;
2. name of the fund for unemployment or professional qualification;
3. full name and united citizen number of the persons who manage and represent the insurance company.

(3) Attached to the application shall be:

1. a certified copy of the licence of the insurance company for insurance for unemployment and/or professional qualification;
2. the statutes of the insurance company for insurance for unemployment and/or professional qualification;
3. (amend. - SG 34/06, in force from 01.10.2006) current certificate of registration in the commercial register of the insurance company for insurance for unemployment and/or professional qualification;
4. the decision of the general assembly of the company for establishing a fund for insurance for unemployment and/or professional qualification;
5. the regulations of the fund for insurance for unemployment and/or professional qualification;
6. (Amend. – SG, 92/17, in force from 18.11.2018) the permit of the commission for management of the fund for insurance for unemployment and/or professional qualification;

(4) Entered in the register of the district court shall be the name of the fund for insurance for unemployment and/or professional qualification; the name, the seat and address of management of the company having established the fund; the way of representation of the company.

(5) The fund for insurance for unemployment and/or professional qualification shall occur as a corporate body from the day of the entry in the court register.

### **Deadline for the court decision (new, SG 67/03)**

Art. 273. (new, SG 67/03) The court shall consider the application for registration of the fund for insurance for unemployment and/or professional qualification within 14 days from the date of its filing.

### **Submission of a copy of the court decision (new, SG 67/03)**

Art. 274. (SG 67/03) The insurance company for unemployment and/or professional qualification shall be obliged to submit to the commission a certified copy of the court decision for entry of a fund for insurance for unemployment or professional qualification within 7 days from its receipt.

### **Expenses related to the registration (new, SG 67/03)**

Art. 275. (new, SG 67/03) All expenses related to establishing, obtaining permit for management and for registration of a fund for insurance for unemployment or professional qualification shall be for the account of the insurance company for additional voluntary insurance for unemployment and/or professional qualification.

### **Withdrawal of the permit for management of a fund (new, SG 67/03)**

Art. 276. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The commission, upon proposal of the deputy chairman shall withdraw the permit for managing fund for supplementary voluntary insurance for unemployment and/or professional qualification for:

1. finding that the documents having serves as grounds for issuance of the permit contain untrue data;
2. not filing the application for court registration within 6 months from obtaining the permit for management of a fund for additional voluntary insurance for unemployment and/or professional qualification;
3. transformation of the insurance company when the management of the fund is transferred to another insurance company;
4. dissolving of the fund due to merger or incorporation with another fund for additional voluntary insurance for unemployment or professional qualification;
5. presence of real and immediate threat for the interests of the insured persons;
6. withdrawal of the licence of the insurance company managing the fund.

### **Obligations of the insurance company after withdrawal of the permit for managing fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 277. (new, (SG 67/03) (1) After the withdrawal of the permit for management of a fund for additional voluntary insurance for unemployment or professional qualification the insurance company for unemployment and/or professional qualification may not conclude new contracts and offer new terms of additional voluntary insurance for unemployment or professional qualification, as well as change the conditions, including the term and the size of the instalments on concluded insurance contracts.

(2) The withdrawal of the permit shall not release the insurance fund from its obligations on concluded contracts.

### **Obligation of the commission after the withdrawal of a permit for management of a fund for supplementary voluntary insurance for unemployment or professional qualification (Title, amend., - SG 92/17, in force from 18.11.2018)**

Art. 278. (new, SG 67/03, amend., - SG 92/17, in force from 18.11.2018) The commission shall send a notification for the withdrawal of the permit for managing fund for supplementary voluntary insurance for unemployment or professional qualification to the court having made the registration, shall promulgate the notification in the State Gazette and shall publish it in at least two central daily newspapers.

### **Regulations for the organisation and activity of a fund for additional voluntary insurance**

### **for unemployment or professional qualification (new, SG 67/03)**

Art. 279. (new, SG 67/01) (1) The regulations for the organisation and activity of fund for additional voluntary insurance for unemployment or professional qualification shall be adopted by the general assembly of the stock holders of the insurance company for unemployment and/or professional qualification.

(2) The regulations for the organisation and activity of the fund shall contain:

1. the name of the fund;
2. the name, the seat and the address of management of the insurance company managing it;
3. the conditions and the order of concluding insurance contracts, the order for the amendments and supplements in them and the conditions of their termination;
4. the conditions and the order of keeping individual accounts of the insured persons for unemployment and/or professional qualification and accounts of the insurer for professional qualification and submitting abstracts from them;
5. the period and the way of distribution of the revenue from investments and the basic objectives and restrictions of the investment policy of the fund;
6. the size of the fees and charges collected by the insurance company;
7. the conditions, the order and the deadlines for payment of the indemnification for unemployment and resources for training;
8. the conditions, the order and the deadlines for transfer of the accumulated resources of the individual account and of the account of the employer;
9. the conditions and the order of introducing amendments and supplements in the regulations;
10. the way and the order of making notices and announcements related to the activity of the fund;
11. the methods and periodicity of assessment of the assets of the fund;
12. the rights and the obligations of the insurance company, of the insured person and of the insurers.

### **Amendment and supplement of the regulations of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 280. (new, SG 76/03) (1) (Amend. and suppl. – SG, 92/17 in force from 18.1102018) The amendments and supplements of the regulations under art. 279, para 2 shall be approved by the commission, upon proposal of the deputy chairman. The commission shall announce a decision within one month from receipt of the application. The applicant shall be informed in writing about the taken decision within 7 days.

(2) (Amend. – SG, 92/17 in force from 18.1102018) The insurance company for unemployment and professional qualification shall notify the insured persons about the concrete amendments and supplements of the regulations and activity of the fund personally or through a publication in two central daily newspapers within one week from receipt of the permit of the commission.

## **Chapter thirty one.**

### **INSURANCE INSTALMENTS AND ACCOUNTS (new, SG 67/03)**

#### **Kind and size of the insurance instalments (new, SG 67/03)**

Art. 281. (new, SG 67/03) (1) Insurance instalments shall be made for insurance in a fund for additional voluntary insurance for unemployment or professional qualification by the insured person and/or his insurer.

(2) The insurance instalments under para 1 shall be in cash and they may be monthly, for



another period, or one-time.

### **Insurance payments**

Art. 282. (new, SG 67/03) (1) Instalments under art. 281 may be made by:

1. individuals - for their account;
2. employers who are insurers - for their workers and employees;
3. bodies who are insurers for:

a) civil servants;

b) (amend. – SG 64/07) judges, prosecutors, investigators, state bailiffs, judges for the entries and the court employees;

c) (amend. - SG 82/06; amend. – SG 25/09, in force from 01.06.2009; amend. – SG 35/09, in force from 12.05.2009) the military servicemen according to the Act on Defence and Armed Forces of the Republic of Bulgaria, civil servants under the Ministry of Interior Act and the civil servants under the Execution of Penalties and Detention Act;

d) assignors who are insurers - for the persons with whom a contract has been concluded for management or control;

e) assignors who are insurers - for the persons with whom a contract has been concluded for practising other activity without legal terms of employment.

(4) The insurance instalments by the insurer shall not oblige the insured person to make instalments for his account.

### **Prohibition of discrimination (new, SG 67/03)**

Art. 283. (new, SG 67/03) The insurer may not refuse additional voluntary insurance for unemployment or professional qualification to workers and employees on the grounds of nationality, origin, sex, sexual orientation, race, colour of skin, age, political or other convictions, religious or belief, membership in trade unions and other public organisations and movements, marital, public and material status and presence of psychic and physical disabilities.

### **Team employment negotiations (new, SG 67/03)**

Art. 284. (new, SG 67/03) The additional insurance for unemployment and/or professional qualification carried out by the employer, with or without the participation of the worker or employee, may be subject to the team employment negotiations.

### **Obligation for transfer of insurance instalments (new, SG 67/03)**

Art. 285. (new, SG 67/03) When the insurance instalments are made simultaneously by the insured person and by the insurer, or only by the insured person, at his choice, the insurer shall deduct from the remuneration for the respective month the insurance instalment which is for the account of the insured person, and shall transfer it to the fund for unemployment and/or professional qualification.

### **Individual account and account of the insurer (new, SG 67/03)**

Art. 286. (new, SG 67/03) (1) The personal insurance instalments made by the insured person and the insurance instalments made by the insurer for additional voluntary insurance for unemployment shall be accumulated in an individual account of the insured person and shall be kept in separate accounts.

(2) The personal insurance instalments for additional voluntary insurance for professional qualification shall be accumulated in an individual account of the insured person.

(3) The insurance instalments for professional qualification made by the insurer shall be accumulated in an account of the insurer.

## **Chapter thirty two.**

### **RIGHTS OF THE INSURED PERSONS AND OF THE INSURERS (new, SG 67/03)**

#### **Section I.**

#### **Rights of the persons insured for unemployment (new, SG 67/03)**

##### **Cash indemnification (new, SG 67/03)**

Art. 287. (new, SG 67/03) (1) The person insured in a voluntary fund for unemployment shall be entitled to a cash indemnification for unemployment for a period not longer than 12 months, up to the size of the accumulated resources in the individual account by personal insurance instalments and the instalments of the insurer and the revenue from their investment, reduced by the fees and charges stipulated by this Division.

(2) (amend. - SG 82/06; amend. – SG 64/07; amend. – SG 35/09, in force from 12.05.2009; amend. – SG 53/14) On termination of the legal term of relation with the insurer, by the choice or with the consent, or due to a guilty conduct of the insured person, pursuant to art. 325, item 1 and 2, art. 326 and 330 of the Labour Code, art. 103, para 1, item 1, 2 and 5, art. 105 and 107 of the Civil Servant Act, art. 162, items 1 and 6, art. 163 and art. 165, items 2 and 3 of the Act on Defence and Armed Forces of the Republic of Bulgaria and art. 226, para 1, item 4, 6, 8 and 16 of the Ministry of Interior Act, art. 165, para 1, item 2, 3 and 5 and art. 271, item 2, 3 and 5 of the Judiciary System Act, the indemnification for unemployment shall be determined in a size up to the accumulated resources in the individual account of personal insurance instalments and the revenue from their investing, reduced by the fees and charges stipulated by this Division, and 10 percent of the accumulated resources from the insurance instalments of the insurer and the revenue from their investing, reduced by the fees and charges stipulated by this Division, for a period not longer than 12 months.

(3) At the choice of the insured person the sum under para 1 or 2 may be paid to him in one payment.

##### **Occurrence of the right to cash indemnification (new, SG 67/03)**

Art. 288. (new, SG 67/03) The right to cash indemnification for unemployment of the persons under art. 262, para 1, item 1 - 5 and item 9 shall occur on the date of termination of the legal terms of relations, and for the persons under art. 262, para 1, item 6 - 8 - from the date of termination of the activity.

##### **Rights of the legatees upon death of the insured person (new, SG 67/03)**

Art. 289. (new, SG 67/03) (1) Upon death of the insured person the resources of personal insurance instalments accumulated in his individual account and the insurance instalments made by the insurer shall be paid one-time to the legatees.

(2) Where there are no persons under para 1 the accumulated resources in the individual account shall remain in the state budget.

**Right to transfer resources to another fund for additional voluntary insurance for unemployment (new, SG 67/03)**

Art. 290. (new, SG 67/02) The person insured for unemployment shall have the right to transfer the resources accumulated in his individual account by personal insurance instalments, or a part of them, from one to another fund for additional voluntary insurance for unemployment, established and managed by another insurance company for unemployment and/or professional qualification if one year from the conclusion of the insurance contract has elapsed.

**Right to transfer resources to a spouse or a relative on the direct line (new, SG 67/03)**

Art. 291. (new, SG 67/03) The insured person shall have the right, not more than once during a calendar year, to transfer resources accumulated in his individual account by personal insurance instalments or a part of them to an individual account in the same or in another fund for additional voluntary insurance for unemployment to a spouse or a relative on the direct line up to second degree.

**Right to draw resources accumulated in the individual account (new, SG 67/03)**

Art. 292. (new, SG 67/03) The person insured for unemployment shall have the right to draw, at any time, resources accumulated in the individual account by personal insurance instalments.

**Reallocation of resources (new, SG 67/03)**

Art. 293. (new, SG 67/03) In the cases of art. 287, para 2 the remainder of the resources accumulated in the individual account of the insured person by insurance instalments of the insurer shall be reallocated to the accounts of the remaining persons insured by this insurer, by an order and in a way determined by the insurance contract.

**Section II.**

**Rights of the persons insured for professional qualification (new, SG 67/03)**

**Resources for training (new, SG 67/03)**

Art. 294. (new, SG 67/03) The person insured in a fund for additional voluntary insurance for professional qualification shall be entitled to resources for training for:

1. initial professional qualification of persons who do not have such qualification;
2. additional qualification;
3. re-qualification;
4. education of higher degree.

**Right to using and size of the resources for training (new, SG 67/03)**

Art. 295. (new, SG 67/03) (1) The right to using resources for training from the individual account of the insured person in a fund for additional voluntary insurance for professional qualification shall occur upon a declared necessity by the insured person of acquiring initial professional qualification, additional qualification, re-qualification or education of a higher degree.

(2) The payments under para 1 shall be made in a size of up to the accumulated resources in the individual account of the insured person by insurance instalments and the revenue from their investment, reduced by the fees and charges stipulated by this Division, on the grounds of expenditure and other documents presented by the educating organisation.

(3) The right to using resources for training from the account of the insurer in a fund for additional voluntary insurance for professional qualification shall occur upon declared necessity by the insurer for the necessity of acquiring initial professional qualification, additional qualification, re-qualification or education of a higher degree, by a written consent of the insured person.

(4) The payments under para 3 shall be made in a size up to the accumulated resources in the account of the insurer by the insurance instalments and the revenue from their investment, reduced by the fees and charges stipulated by this Division, on the grounds of expenditure and other documents presented by the educating organisation.

(5) The maximal size of the sums under para 4 for one insured person may not exceed the 5-fold average size of the accumulated resources for the insured persons made by this insurer.

#### **Rights of the legatees upon death of the insured person (new, SG 67/03)**

Art. 296. (new, SG 67/03) (1) Upon death of the person insured for professional qualification the resources accumulated in his individual account by personal insurance instalments shall be paid one-time to the legatees.

(2) Where there are no persons under para 1 the accumulated resources in the individual account shall remain in the state budget.

#### **Right to transfer of resources to other fund for additional voluntary insurance for professional qualification (new, SG 67/03)**

Art. 297. (new, SG 67/03) The insured person shall have the right to transfer resources, or a part of them, accumulated in his individual account to another fund for additional voluntary insurance for professional qualification, established and managed by another insurance company for unemployment and/or professional qualification, if one year from the conclusion of the insurance contract has elapsed.

#### **Right to transfer resources to a spouse or a relative on the direct line (new, SG 67/03)**

Art. 298. (new, SG 67/03) The insured person shall have the right, not more than once during a calendar year, to transfer resources accumulated in his individual account by personal insurance instalments or a part of them to an individual account in the same or in another fund for additional voluntary insurance for professional qualification to a spouse or a relative on the direct line up to second degree.

#### **Right to draw resources accumulated in the individual account (new, SG 67/03)**

Art. 299. (new, SG 67/03) The person insured for professional qualification shall have the right to draw, at any time, resources accumulated in the individual account by personal insurance instalments.

### **Section III.**

#### **Rights of the insurers (new, SG 67/03)**

#### **Reallocation of the resources of the account of the insurer (new, SG 67/03)**

Art. 300. (new, SG 67/03) (1) In the event of termination of the insurance for professional qualification the accumulated resources in the account of the insurer and the revenue from their investment, reduced by the fees and charges stipulated by this Division shall be reallocated to the

individual accounts of the insured persons by an order and in a way determined by the insurer.

(2) In cases where the insured person has no opened individual account the insurance company shall open such an account.

(3) The insurance company shall notify the insurer and the insured persons about the transfer under para 1 or about the opening of an individual account under para 2.

### **Right to transfer of resources to another fund for additional voluntary insurance for professional qualification (new, SG 67/03)**

Art. 301. (new, SG 67/03) The insurer shall have the right to transfer resources accumulated in his account by insurance instalments for the insured persons or a part of them to another fund for additional voluntary insurance for professional qualification, established and managed by another insurance company for unemployment and/or professional qualification, but not more than one within a calendar year.

### **Order of transfer (new, SG 67/03)**

Art. 302. The order and the way of transferring the resources under art. 290, 297 and 301 shall be determined by an ordinance of the commission.

### **Right to information (new, SG 67/03)**

Art. 303. (new, SG 67/03) The insurer shall be entitled to free information once a year for the resources accumulated in his account, for the profitability of their investment and for the insurance rights ensuing from the accumulated resources upon a written request.

## **Chapter thirty three. CONTRACTS (new, SG 67/03)**

### **Conclusion of insurance contracts (new, SG 67/03)**

Art. 304. (new, SG 67) (1) The contract for additional voluntary insurance for unemployment and/or professional qualification shall be concluded in writing and shall settle the relations on the voluntary insurance for unemployment and/or professional qualification between the insurance company for unemployment and/or professional qualification, on one hand, and the insured person and the insurer, on the other.

(2) When the insurance contract is concluded between the insurer and the insurance company for unemployment and/or professional qualification it shall be in favour of the insured persons.

(3) Required, for the conclusion of the insurance contract under para 2 shall also be a preliminary written consent of the person in whose favour the contract is concluded.

(4) The insurance contract for additional voluntary insurance for unemployment and/or professional qualification shall be without a fixed term.

### **Content of the insurance contract (new, SG 67/03)**

Art. 305. (new, SG 67/03) The insurance contract shall obligatorily contain:

1. (amend. SG 39/05, amend. - SG 34/06, in force from 01.10.2006) the names and addresses of the parties to the contract, the court registration and the code of BULSTAT of the fund for additional voluntary insurance for unemployment or professional qualification, the licence the commercial

registration of the insurance company managing the fund for additional voluntary insurance for unemployment or professional qualification and the unified identification code;

2. subject and scope of the insurance;
3. size of the insurance instalment;
4. the conditions, the order and the way of payment of the insurance instalment, the cash indemnification for unemployment, the resources for training and the reallocation of the resources under art. 293 and 300;
5. the date of conclusion and enactment of the insurance contract;
6. the terms for termination of the contract;
7. the size of the fees and charges.

## **Chapter thirty four.** **INVESTMENTS (new, SG 67/03)**

### **Order of investing (new, SG 67/03)**

Art. 306. (new, SG 67/03) (1) Applied for the investments of the fund for additional voluntary insurance for unemployment or professional qualification shall be the provisions of Chapter Fourteen, inasmuch as this chapter does not stipulate otherwise.

(2) In investing the resources of the fund for additional voluntary insurance for unemployment or professional qualification shall not apply the requirements for minimal profitability.

### **Investing the resources (new, SG 67/03)**

Art. 307. (new, SG 67/03) The resources of the fund for additional voluntary insurance for unemployment or professional qualification may be invested only in:

1. securities issued and guaranteed by the state;
2. securities accepted for trading on the regulated markets of securities;
3. bank deposits;
4. mortgage bonds issued by local banks according to the Mortgage Bonds Act;
5. municipal bonds.

### **Investment restrictions (new, SG 67/03)**

Art. 308. (new, SG 67/03) (1) No more than 80 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in securities issued or guaranteed by the state.

(2) No more than 60 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in bank deposits, but not more than 10 percent in one bank.

(3) No more than 30 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in mortgage bonds, whereas the investments in mortgage bonds issued by one bank may not exceed 10 percent of the assets of the fund.

(4) No more than 10 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in municipal bonds, whereas the investments in municipal bonds, issued by one municipality, may not exceed 5 percent of the assets of the fund.

(5) No more than 10 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in stocks issued by Bulgarian issuers and

traded on regulated markets.

(6) No more than 20 percent of the assets of the fund for additional voluntary insurance for unemployment or professional qualification may be invested in corporate bonds issued by Bulgarian issuers and traded on regulated markets.

**Chapter thirty five.**  
**ACCOUNTANCY (new, SG 67/03)**

**Accountancy of a fund for additional voluntary insurance for unemployment or professional qualification (new, SG 67/03)**

Art. 309. (new, SG 67/03) The insurance company for unemployment and/or professional qualification shall organise and carry out the accountancy and shall organise and carry out the accountancy and the financial reports of the funds for additional voluntary insurance for unemployment or professional qualification managed by it in compliance with the provisions of Chapter Fifteen.

**Chapter thirty six.**  
**TAX RELIEF (new, SG 67/03)**

**Tax exemption (new, SG 67/03)**

Art. 310. (new, SG 67/03) (1) (amend. – SG 95/09, in force from 01.01.2010) The revenue of the fund for additional voluntary insurance for unemployment or professional qualification shall not be levied with tax by the order of the Corporate Income Tax Act.

(2) (amend. - 95/06, in force from 01.01.2007) The revenue from investment of the assets of the fund for additional voluntary insurance for unemployment or professional qualification, distributed among the individual accounts of the insured persons, shall not be levied with tax by the order of the Income Taxes on Natural Persons Act.

(3) The services on additional voluntary insurance for unemployment and/or professional qualification shall not be levied with tax by the order of the Value Added Tax Act.

**Deduction of the personal instalments from the taxable revenue (new, SG 67/03)**

Art. 311. (new, SG 67/03; amend. - 95/06, in force from 01.01.2007) The personal instalments for additional voluntary insurance for unemployment and/or professional qualification of the individuals shall be deducted from their income before taxation by an order, in a way and in sizes determined by the Income Taxes on Natural Persons Act.

**Recognition of expense (new, SG 67/03)**

Art. 312. (new, SG 67/03) The instalments of the insurers for additional voluntary insurance for unemployment and/or professional qualification shall be recognised as expense by an order, in a way and in sizes determined by the Corporate Income Tax Act.

**Chapter thirty seven.**  
**FEES AND CHARGES (new, SG 67/03)**

**Legally established fees and charges (new, SG 67/03)**

Art. 313. (new, SG 67/03) The insurance company for unemployment and/or professional

qualification shall collect fees and charges for the management of the funds for additional voluntary insurance for unemployment or professional qualification as follows:

1. one-time introductory fee for opening an individual insurance account - not more than 10 BGN;
2. charge as a percentage of each insurance instalment - up to 5 percent for each fund individually;
3. investment fee amounting to 10 percent of the income realised by the investment of the resources of the fund for additional voluntary insurance for unemployment or professional qualification.

#### **Additional fees (new, SG 67/03)**

Art. 314. (new, SG 67/03) (1) The insurance company for unemployment and/or professional qualification may collect additional fees in the following cases:

1. for each transfer of accumulated resources of individual insurance account from one funds for additional voluntary insurance for unemployment or professional qualification to another respective fund managed by other insurance company;

2. for each drawing (in full or partially) of the accumulated resources of the individual account.

(2) The fees under para 1 shall not be paid for transfer or drawing because of disagreement with amendments of the regulations of the fund for funds for additional voluntary insurance for unemployment or professional qualification, transformation or termination of the funds for additional voluntary insurance for unemployment or professional qualification.

#### **Size of the fees and charges (new, SG 67/03)**

Art. 315. (new, SG 67/03) (1) The concrete size of the fees and charges under this chapter shall be determined by the regulations of the funds for additional voluntary insurance for unemployment or professional qualification.

(2) The fees under art. 314, para 1 shall be up to 20 BGN.

#### **Lawfulness of the fees (new, SG 67/03)**

Art. 316. (new, SG 67/03) The insurance companies for unemployment and/or professional qualification may not collect other fees and charges besides those stipulated in this chapter.

### **Division five.**

## **TRANSFORMATION, WINDING UP AND BANKRUPTCY OF THE COMPANIES AND FUNDS FOR SUPPLEMENTARY SOCIAL INSURANCE (new, SG 67/03)**

### **Chapter thirty eight.**

## **TRANSFORMATION, WINDING UP AND BANKRUPTCY (new, SG 67/03)**

### **Terms of transformation of a company for supplementary social insurance (new, SG 67/03)**

Art. 317. (new, SG 67/03) (1) Transformation of a company for supplementary social insurance shall be carried out upon a preliminary permit of the commission under the following conditions:

1. proven solvency after the transformation;
2. preservation of the rights of the insured persons and of the pensioners.

(2) For merger or acquisition of a company for supplementary social insurance an advance



permit by the Commission for protection of the competition shall be required.

(3) (Amend. – SG, 92/17) Upon a decision of the general assembly of the stock holders for transformation the company shall inform the commission within 7 days from the date of the decision.

#### **Transformation of a company for supplementary social insurance (new, SG 67/03)**

Art. 318. (new, SG 67/03) (1) The companies for supplementary social insurance may be transformed through merger, acquisition, separation and division.

(2) On transformation through merger, separation or division the newly established legal subjects shall be joint-stock companies with subject of activity supplementary pension insurance, respectively insurance for unemployment and/or professional qualification.

(3) On merger or acquisition of companies for supplementary social insurance the funds for supplementary social insurance managed by them shall be merged or acquired by the respective kinds of funds. If the managed funds differ in kind the activity of their management shall pass on to the receiving company - in acquisition, or to the newly established company - in merger.

(4) In the cases of separation or division of companies for supplementary social insurance the funds for supplementary social insurance shall not be transformed, whereas their management shall be taken over by one of the companies, or each of them shall take over for management funds of definite kind.

#### **Requirements for the pension reserves on transformation of pension insurance companies (new, SG 67/03)**

Art. 319. (new, SG 67/03) On transformation of pension insurance companies the formed pension reserves:

1. shall retain their purpose in the company where they are transferred;
2. may not be divided or separate from themselves other reserve;
3. may acquire by or merged with other reserves with the same purpose.

#### **Transformation of funds for supplementary social insurance (new, SG 67/03)**

Art. 320. (new, SG 67/03) (1) A fund for supplementary social insurance may be transformed only through merger or acquisition, on condition that the rights of the insured persons and pensioners are retained.

(2) A fund for supplementary social insurance may not be divided or separate from itself another fund, as well as to be transformed into a trade company, non-profit association or cooperation.

(3) On merger or acquisition of funds for supplementary social insurance the receiving or newly established fund shall be legal successor of the winding up funds.

(4) If the company for supplementary social insurance is not transformed and fund for supplementary social insurance managed by it may be transformed only through acquisition by another fund managed by another company for supplementary social insurance, upon a prior permit of the Commission for protection of the competition.

#### **Permit for transformation of a company for supplementary social insurance (new, SG 67/03)**

Art. 321. (new, SG 67/03) (1) To obtain permit for transformation the company for supplementary social insurance shall file a request with the commission enclosing:

1. decision of the general assembly;

2. permit of the Commission for protection of the competition - in the cases of art. 317, para 2;
3. transformation plan;
4. other necessary documents.

(2) The request under para 1 shall be filed not later than 3 months from the date of the decision of the general assembly of the stock holders for transformation of the company.

(3) The newly established companies as a result of the transformation shall be licensed by the order of art. 122a - 122d.

(4) (suppl., SG 112/03) When, as a result of the transformation of the companies it is necessary to issue a permit for management of funds for supplementary social insurance the provisions of art. 145, art. 218 and 269 shall apply respectively.

(5) In the cases of para 3 and 4 the documents for licensing and for obtaining permit for management of a fund shall be filed along with the request for obtaining permit for transformation.

### **Order of issuing permit for transformation of a company for supplementary social insurance (new, SG 67/03)**

Art. 322. (new, SG 67/03) (1) Within two months from receipt of the request under art. 321, para 1 the deputy chairman of the commission shall present to the commission a proposal for giving or refusal to give permit for transformation and proposals for issuance of licences in the cases of art. 321, para 3.

(2) If the deputy chairman of the commission has requested additional information and documents, or he has given instructions for correction of discrepancies with the law, the term under para 1 may be extended by one month.

(3) Within one month from filing the proposal under para 1 the commission shall announce a motivated decision for giving or refusal to give a permit for transformation.

(4) The commission shall refuse to issue a permit for transformation when:

1. some of the required documents is missing or they contain irregularities;
2. the requirements of this code and the acts for its implementation have not been fulfilled.

(5) (Amend. – SG. 92/17, in force from 18.11.2018) Along with the permit under para 3 the commission shall issue licences to the newly established companies, permits for management of the newly established funds for supplementary social insurance and shall withdraw the issued permits of the winding up funds.

(6) (Repealed, - SG, 92/17, in force from 18.11.2018)

(7) The company for supplementary social insurance shall be obliged to observe the plan for transformation and it may not introduce changes to it.

### **Order of issuing a permit for transformation of a fund for supplementary social insurance (new, SG 67/03)**

Art. 323. (New, SG 67/03) (1) (Suppl. – SG, 92/17, in force from 18.11.2018) Transformation of a fund for supplementary social insurance under the conditions of art. 320, para 4 shall be carried out by a permit of the commission, upon proposal of the deputy chairman.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) To obtain a permit under para 1 the company, upon a decision of its competent bodies, shall file a request to the commission, enclosing a plan for transformation of the fund, a permit of the Commission for protection of the competition and other necessary documents.

(3) (Amend. – SG, 92/17, in force from 18.11.2018) The commission shall announce a decision within one month from filing the request under para 2 and, when supplementary information and documents are required - within one month from their receipt.

### **Winding up of a company for supplementary social insurance (new, SG 67/03)**

Art. 324. (new, SG 67/03) A company for supplementary social insurance shall wind up:

1. voluntarily - by a decision of the general assembly of the stock-holders;
2. compulsory - by a withdrawal of the pension licence or of the licence for additional voluntary insurance for unemployment and/or professional qualification;
3. for declaring insolvency.

### **Winding up of a company for supplementary social insurance by a decision of the general assembly (new, SG 67/03)**

Art. 325. (new, SG 67/03) (1) Under the conditions of art. 324, item 1 a company for supplementary social insurance shall wind up through liquidation, and the funds for supplementary social insurance managed by it - through acquisition by respective funds managed by other companies for supplementary social insurance.

(2) On winding up by the order of para 1 the formed pension reserves shall retain their purpose, they may not be divided and acquired by reserves with the same purpose in other pension insurance companies.

### **Terms of voluntary winding up (new, SG 67/03)**

Art. 326. (new, SG 67/03) (1) Voluntary winding up of companies for supplementary social insurance shall be carried out by a prior permit of the commission under the following conditions:

1. proven solvency;
2. preserving the rights of the insured persons and pensioners.

(2) (Amend. – SG, 92/17) Upon a decision taken by the general assembly of the stock holders for winding up the company shall inform the commission within 7 days from the date of the decision.

### **Permit for voluntary winding up (new, SG 67/03)**

Art. 327. (new, SG 67/03) (1) To obtain a permit for winding up the company for supplementary social insurance shall file a request to the commission enclosing:

1. decision of the general assembly;
2. permit of the Commission for protection of the competition;
3. liquidation plan;
4. other necessary documents.

(2) The liquidation plan of companies for supplementary social insurance shall obligatorily contain an annex setting the conditions, the order and the way of acquisition of the pension reserves and of transferring the resources of the individual accounts of the insured persons and the guarantees for the pensioners.

(3) The request under para 1 shall be filed not later than two months from the date of the decision of the general assembly of the stock holders for winding up the company.

### **Order of issuing permit (new, SG 67/03)**

Art. 328. (new, SG 67/03) (1) Within two months from receipt of the request the deputy chairman of the commission shall present to the commission a proposal for giving or refusal to give permit for voluntary wind up.

(2) If the deputy chairman of the commission has required additional information or documents the term under para 1 may be extended by one month.

(3) Within one month from presenting the proposal under para 1 the commission shall announce a motivated decision for giving or refusal to give a permit for voluntary wind up of the company.

(4) The commission shall refuse to issue a permit for transformation when:

1. some of the required documents is missing or they contain irregularities;

2. the requirements of this code and the acts for its implementation have not been fulfilled.

(5) (Amend. – SG, 92/17, in force from 18.11.2018) Along with the permit the commission shall withdraw the licence of the company, within 1-week term from issuance of the permits for management of the funds.

(6) (Repealed - SG, 92/17, in force from 18.11.2018)

### **Court proceedings (new, SG 67/03)**

Art. 329. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) The company for supplementary social insurance shall file the necessary documents in the district court at the place of its seat immediately upon obtaining the decisions under art. 328, para 3 for winding up the company, for instituting proceedings on liquidation and writing off the funds managed by it, presenting also certified copies of the decisions.

### **Monthly reports (new, SG 67/03)**

Art. 330. (new, SG 67/03, amend. – SG, 92/17) The liquidator shall inform the commission about the process of the proceedings and shall present to it a financial account and report on his activity monthly, not later than the 15th of every month.

### **Mandatory wind up in the cases of Art. 122f, Para. 1, p. 1**

Art. 330a. (New – SG, 92/17) In case of winding up the license for performing activity on supplementary social insurance under Art. 122f, Para. 1, p. 1, liquidation of the company shall be done. The general meeting of the shareholders of the company for supplementary social insurance shall appoint a liquidator within 2-month term from the enforcement of the commission decision.

### **Mandatory wind up in the cases of Art. 122f, Para. 1, p. 2 and 6 and Para. 2 (Title, amend. - SG 92/17)**

Art. 331. (new, SG 67/03) (1) Proceedings for compulsory wind up shall be instituted for every company for supplementary social insurance of whom the licence for carrying out activity of supplementary social insurance has been withdrawn pursuant to art. 122f, para 1, item 2 and 6 and para 2.

(2) After the withdrawal of the licence the commission shall appoint a receiver until the appointment of a liquidator.

(3) The proceedings shall be instituted by the district court at the place of seat of the company at a request of the commission. The request shall state only the grounds for withdrawal of the licence, accompanied by a certified copy of the decision for withdrawal of the licence.

(4) If the request meets the requirements of para 1 the court shall institute proceedings for liquidation of the company for supplementary social insurance and shall appoint a liquidator.

(5) (Amend. – SG, 92/17) Within 3 months from his appointment the liquidator shall work out and present to the commission a liquidation plan with the annex under art. 327, para 2, and shall conclude contracts with other companies for supplementary social insurance for:

1. acquisition by the funds managed by them of funds of the winding up company;
2. transfer of the resources of the individual accounts of the insured persons and of the pensioners to respective funds managed by companies for supplementary social insurance, under conditions and by an order determined by an ordinance of the commission.

(6) (Amend. – SG, 92/17) Within one month from the receipt of the liquidation plan, the commission, upon proposal of the deputy chairman shall announce a decision approving the conditions, the order and the way of satisfying the insured persons and pensioners, stipulated by it and by the annex, or he shall determine otherwise imperatively.

(7) For withdrawal of a permit for managing a fund for supplementary social insurance shall apply para 2 - 6 respectively.

### **Retaining the purpose of the pension reserves (new, SG 67/03)**

Art. 332. (new, SG 67/03) On winding up a pension insurance company by the order of art. 331 the formed pension reserves shall retain their purpose and shall be acquired by reserves with the same purpose in the respective pension insurance companies according to the plan and the contracts under art. 331, para 5.

### **Bankruptcy of a company for supplementary social insurance (new, SG 67/03)**

Art. 333. (new, SG 67/03) (1) Proceedings for bankruptcy of a company for supplementary social insurance shall be instituted upon withdrawal of its licence for carrying out activity of supplementary social insurance pursuant to art. 122f, para 1, item 5.

(2) The company for supplementary social insurance shall be considered insolvent when:

1. for a period longer than 7 working days it has not fulfilled an exigible monetary liability, or
2. the total size of its liabilities exceeds the total value of its assets.

(3) Only the commission may request the court to institute bankruptcy proceedings for a company for supplementary social insurance.

(4) (Amend. – SG, 92/17) The request of the commission shall contain:

1. the name of the court, to which it has been sent;
2. the name and the UIC of the pension insurance company and the name of the person/s, who represent it;
3. the grounds on which the licence has been withdrawn.
4. what is the request;
5. signature of the commission chairperson.

(5) (New – SG, 92/17) To the request, a certified copy of the decision for withdrawal of the license, as well as evidence for the notification under Art. 78, Para. 1 of the Tax-Insurance Procedure Code.

(6) (Former Para. 5 – SG, 92/17) During the proceedings for the bankruptcy of the company for supplementary social insurance may not apply a recovery plan.

(7) (Former Para. 6 – SG, 92/17) The commission shall appoint a recipient until the appointment of assignee in bankruptcy by the court.

### **Bankruptcy proceedings (new, SG 67/03)**

Art. 334. (new, SG 67/03) (1) The court shall institute the case on the day of receiving the request of the commission under art. 333, para 3 and shall set a sitting not later than 10 days after its instituting.

(2) The court shall consider the request with the participation of a prosecutor in a sitting in

camera, with summoning the commission and the company for supplementary social insurance.

(3) By its decision the court shall:

1. declare the insolvency of the company and shall determine its initial date;

2. open bankruptcy proceedings;

3. declare bankruptcy of the company for supplementary social insurance;

4. terminate the legal authorities of the bodies of the company;

5. rule a floating charge and distraint;

6. divest the company of the right to manage and administer the property, included in the bankruptcy estate;

7. rule for the start of the sale of the property included in the bankruptcy estate and allocation of the sold property;

8. appoint assignee in bankruptcy.

Restrictions for the assignee in bankruptcy (new, SG 67/03)

### **Restrictions to the Assignee in Bankruptcy**

Art. 335. (new, SG 67/03) An assignee in bankruptcy of a company for supplementary social insurance may not be a person who is an interim assignee in bankruptcy or an assignee in bankruptcy of another entrepreneur. This circumstance shall be established by a declaration filed by the assignee in bankruptcy on his appointment by the court.

### **Obligations of the assignee in bankruptcy (new, SG 67/03)**

Art. 336. (new, SG 67/03) (1) (Amend. – SG, 92/17) Within three months from his appointment the assignee in bankruptcy shall work out and present to the commission a plan for:

1. acquisition of funds for supplementary social insurance of the bankrupt company by respective funds managed by other companies for supplementary social insurance;

2. transfer of resources of individual accounts of the insured persons and pensioners from the funds managed by the bankrupt company to other respective funds for supplementary social insurance, under conditions and by an order determined by an ordinance of the commission.

(2) (Amend. – SG, 92/17) Within one month from receiving the plan of the assignee in bankruptcy, commission, upon proposal of the deputy chairman shall announce a decision approving the conditions, the order and the way of satisfying the insured persons and pensioners stipulated by it, or determine otherwise imperatively.

(3) For bankruptcy of a pension insurance company the formed pension reserves shall retain their purpose and shall be acquired by reserves with the same purpose in the respective pension insurance companies according to the plan of para 1.

(4) (Amend. – SG, 92/17) The assignee in bankruptcy shall present to the court and to the commission every month, by the 20th, and upon request - immediately, a report on his activity. The deputy chairman of the commission may carry out inspections on the spot for verification of the reports.

### **Control over the activity of the assignee in bankruptcy (new, SG 67/03)**

Art. 337. (New, SG 67/03) (1) (Amend. – SG, 92/17) The commission, upon proposal of the deputy chairman shall have the right to give mandatory instructions to the assignee in bankruptcy regarding the management of the property of the company for supplementary social insurance and inspect the commercial books and the contents of the safe.

(2) (Amend. – SG, 92/17) For established violation the commission may extend proposals to the court for release of the assignee in bankruptcy and for appointment of a new assignee in bankruptcy.

### **Sale of the company as an enterprise (new, SG 67/03)**

Art. 338. (new, SG 67/03) (1) On request of the assignee in bankruptcy or of the commission the court may permit the sale of the company for supplementary social insurance as an enterprise.

(2) The court may permit the transaction under para 1 upon receipt of a positive written statement of the commission. The commission shall announce a decision within 30 days from receipt of the request of the court.

(3) The court shall verify whether the transaction does not contradict the law and whether it does not harm the interests in the managed funds of the insured persons and pensioners.

(4) Transfer of ownership before the final payment of the price shall not be admitted.

(5) The enterprise of the company for supplementary social insurance may be sold only to another licensed company for supplementary social insurance.

(6) The transaction shall also be admissible when the joint-stock company is established for that purpose, if it obtains from the commission a licence for carrying out activity of supplementary social insurance. In this case the court shall approve the transaction after the issuance of the licence.

(7) If the company under para 6 meets the requirements the commission shall issue a licence which shall entitle it to carry out activity of supplementary social insurance. The licence shall be issued only if the applicant possesses a capital which would allow it to carry out activity of supplementary social insurance according to the established requirements, after having satisfied the receivables of the creditors under the terms of the transaction.

(8) The buyer shall be responsible only for the liabilities he has undertaken according to the terms of the transaction approved by the court. The remaining receivables and rights not exercised shall be acquitted.

(9) The court shall terminate the bankruptcy proceedings after the conclusion of the transaction.

(10) The acts of the court under para 1 - 9 shall not be subject to appeal.

### **Conclusion of the bankruptcy proceedings (new, SG 67/03)**

Art. 339. (new, SG 67/03) (1) The bankruptcy proceedings shall be concluded by a decision of the court when the property of the company for supplementary social insurance has been allocated.

(2) By its decision under para 1 the court shall rule for the writing off of the company in the commercial register.

### **Mandatory termination in the cases of Art. 122f, Para. 1, p. 7**

Art. 339a. (New – SG, 92/17) With withdrawal of the license for performing activity on supplementary social insurance under Art. 122f, Para. 1, p. 7 of the company, which has not started to perform activity on the supplementary social insurance, Art. 330a shall apply.

(2) With withdrawal of the license for performing activity on supplementary social insurance under Art. 122f, Para. 1, p. 7 of the company, which has started to perform activity on the supplementary social insurance, Art. 331 and 332 shall apply.

### **Rights of the insured persons, pensioners and insurers on transformation and winding up (new, SG 67/03)**

Art. 340. (new, SG 67/03) (1) On transformation or wind up of a company for supplementary social insurance or of a fund for supplementary social insurance the company to whose fund was transferred the individual account of the insured person shall obligatorily inform him about the transfer and about his rights within one week from the transfer.

(2) Informed, by the order of para 1, about the transfer shall also be the pensioners and the

insurers when they make instalments for their account.

(3) In the cases of para 1, within one month from the notification, the insured persons shall have the right:

1. to transfer the resources of their individual accounts to another fund of the same kind - for supplementary compulsory pension insurance;

2. to transfer the resources of their individual accounts to another voluntary fund for supplementary social insurance or draw in full the accumulated resources of their individual accounts by personal instalments - for additional voluntary social insurance.

(4) In the cases of para 1, within one month from the notification, the insurers shall have the right to transfer the resources of their accounts to another voluntary fund for unemployment or professional qualification.

(5) It shall be considered, for persons who have not exercised their rights under para 3 within the set period that they have silently confirmed their participation in the fund for supplementary social insurance where the individual account has been transferred as a result of the transformation or wind up.

(6) The restrictions for transfer shall not apply in the cases of para 3.

### **Applicability of the Commerce Act (new, SG 67/03)**

Art. 341. (new, SG 67/03) Inasmuch as this chapter does not stipulate special provisions the provisions of the Commerce Act shall apply respectively for the transformation, wind up and bankruptcy of the company for supplementary social insurance.

### **Archiving (new, SG 67/03)**

Art. 342. (new, SG 67/03) (1) On transforming a company or a fund for supplementary social insurance the managing body shall be in charge of submitting the official documentation of the company and of the managed funds and their inventory to the company - legal successor within 6 months from the transformation.

(2) (Amend. – SG, 92/17) On liquidation of a company for supplementary social insurance the documents subject to permanent storing of significance for the rights of the insured persons, pensioners, their successors and other right-holding persons shall be transferred to the company/s for social insurance, whose funds are right-holders of the terminated funds, managed by the liquidated company, in case that no special procedure is provided for their transmission and storage and their term for storage has not expired.

(3) (New – SG, 92/17) For archiving of the remaining documentation, the company for supplementary social insurance shall turn for assistance to the governing bodies of the National Archive Fund.

### **Determination of the requirements (new, SG 67/03)**

Art. 343. (new, SG 67/03) The commission shall determine by an ordinance the requirements for the contents of:

1. the plan for transformation of a company for supplementary social insurance and of a fund for supplementary social insurance;

2. the annex to the plan for liquidation of the company for supplementary social insurance;

3. the plan of the assignee in bankruptcy in case of bankruptcy of a company for supplementary social insurance;

4. the documents under art. 321, para 1, item 4, art. 323, para 2 and art. 327, para 1, item 4.



**Part two.**

**INTERACTION WITH THE PENSION SCHEMES OF THE UNION, THE EUROPEAN CENTRAL BANK AND THE EUROPEAN INVESTMENT BANK (NEW – SG 19/10; TITLE AMEND. – SG 60/11, IN FORCE FROM 05.08.2011)**

**Chapter thirty eight.**

**"A" TRANSFER OF PENSION RIGHTS FROM AND TO THE PENSION SCHEMES OF THE UNION, THE EUROPEAN CENTRAL BANK AND THE EUROPEAN INVESTMENT BANK (NEW – SG 19/10; TITLE AMEND. – SG 60/11, IN FORCE FROM 05.08.2011)**

**Right to transfer pension rights to the pension schemes of the Union (title amend. – SG 60/11, in force from 05.08.2011)**

Art. 343a. (new – SG 19/10) (1) (amend. – SG 60/11, in force from 05.08.2011) Any person insured under the Bulgarian legislation who enters the service at an institution or body of the European Union shall be entitled to transfer to the pension schemes of the Union jointly or individually at his choice:

1. (suppl. – SG, 92/17) the actuarial equivalent of the retirement pension rights from the "Pensions" fund, or from fund "Pensions for the persons under Art. 69" of the state social insurance;

2. the funds from his own account in a universal pension fund and/or professional pension fund, and/or in a fund for additional voluntary pension insurance according to professional schemes.

(2) (amend. – SG 60/11, in force from 05.08.2011) The persons entitled to transfer rights and the conditions and time limits to exercise them shall be stipulated in the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union laid down in Council Regulation (EEC, Euratom, ECSC) No. 259/68 of 29 February 1968.

(3) Transfer of the funds under Para 1, Item 1 shall be effected, unless an employment related pension has been granted by the state social security

(4) Transfer of the funds under Para 1, Item 2 shall be effected, unless a pension from the corresponding supplementary pension insurance fund has been granted or an agreement for one-time or deferred payment of the funds in the individual account has been signed.

(5) (amend. – SG 60/11, in force from 05.08.2011, amend. – SG, 92/17, in force from 01.04.2018, amend. - SG 46/18, in force from 21.05.2018) The transfer restrictions under Art. 171, Para 1, Art. 236, Para 5 and Art. 247, Para 4 shall not apply to transfer of funds to the pension schemes of the Union.

(6) The costs for the bank transfer shall be at the expense of the National Insurance Institute or of the pension insurance company that shall carry out the transfer.

**Consequences from the transfer of pension rights to the pension schemes of the Union (title amend. – SG 60/11, in force from 05.08.2011)**

Art. 343b. (new - SG 19/10) (1) (amend. – SG 60/11, in force from 05.08.2011) The insurance service, for which the actuarial equivalent under Art. 343a, Para 1, Item 1 has been transferred, shall not be taken into consideration in determining the right and amount of the pension related to labour activity according to the Bulgarian legislation.

(2) (amend. – SG 60/11, in force from 05.08.2011) The transfer of the funds under Art. 343a, Para 1, Item 2 to the account of an institution or a body of the European Union shall preclude the right to pension at the fund for supplementary pension insurance and the individual account at the fund shall be closed.

(3) In case the person has transferred his pension rights from the state social insurance and has preserved his rights in respect of a fund for supplementary pension insurance, he shall:

1. (amend. – SG 100/10, in force from 01.01.2011; amend. – SG 60/11, in force from 05.08.2011) be entitled to pension from a universal pension fund in case of retirement from the pension schemes of the Union or in case of reaching the age entitling him to pension for insurance service and age under Art. 68, Para 1 or under the conditions of Art. 167, Para 2;

2. be entitled to pension from a fund for additional voluntary pension insurance according to professional schemes when reaching the age 60 or up to 5 years from reaching it;

3. (amend. – SG 60/11, in force from 05.08.2011) may withdraw his funds from a professional pension fund in case of retirement from the pension schemes of the Union or from a universal pension fund.

**Right to transfer pension rights from the pension schemes of the Union (title amend. – SG 60/11, in force from 05.08.2011)**

Art. 343c. (new - SG 19/10) (1) (amend. – SG 60/11, in force from 05.08.2011) Any person, insured in a pension schemes of the Union for legal relations with an institution or a body of the European Union that have been terminated, shall be entitled at his choice to transfer the funds representing the pension rights acquired by him in this scheme:

1. (amend. – SG 98/16, in force from 01.01.2017, suppl. – SG, 92/17, amend. – SG, 99/17, in force from 01.01.2018) in the "Pensions" Fund, or in the fund “Pensions for the persons under Art. 69” of the state social insurance, as well as to a universal pension fund, if born after 31 December 1959, or

2. in a fund for additional voluntary pension insurance paying lifetime pensions, or

3. (amend. - SG 102/15, in force from 01.01.2016) to an insurer entitled to act under Item 1, Section I, Letter "b" - “Annuities”, from Appendix No 1 to the Insurance Code.

(2) (amend. – SG 60/11, in force from 05.08.2011) The persons entitled to transfer and the prerequisites and terms for exercising it shall be stipulated in the Staff Regulations of Officials of the European Union and the Conditions of employment of other servants of the European Union.

(3) The transfer of the funds under Para 1, Item 1 shall be made, when the person begins labour activity requiring compulsory insurance under this Code.

**Consequences from transfer of pension rights from the pension schemes of the Union to the state social insurance and the funds of the additional mandatory pension insurance (title amend. – SG 60/11, in force from 05.08.2011)**

Art. 343d. (new – SG 19/10) (1) (amend. – SG 60/11, in force from 05.08.2011) When the person makes a choice under Art. 343c, Para 1, Item 1, the National Insurance Institute shall allocate the funds received from the pension scheme of the Union in the following sequence:

1.(suppl. – SG, 92/17) in cases funds there are funds transferred to the pension scheme of the Union under Art. 343a, the sum equal to the amount of the funds, updated by the date of the transfer, transferred back to the "Pensions" Fund, or in fund “Pensions for the persons under Art. 69” of the state social insurance and to the corresponding types of funds for supplementary pension insurance they have been transferred from;

2. from the sum left after allocation of the sources under item 1, respectively – the funds received, in the cases where no funds have been transferred in the pension scheme of the Union pursuant to Art. 343a, shall be transferred funds in the following sequence:

a) (suppl. – SG, 92/17) in respect of persons born before 1 January 1960 – to the "Pensions" Fund, or in fund “Pensions for the persons under Art. 69” of the state social insurance; transferred shall be funds calculated on the basis of the remuneration, on the ground of which the person has been insured by the moment of termination of their legal relations with a body of the Union, the amount of the instalment at the moment of the transfer and insurance periods of actual practice at the Union, as well as

all other insurance periods acknowledged by the Union, excluding the ones from Bulgaria;

b) (suppl. – SG, 92/17) in respect of persons born after 31 December 1959 - to the "Pensions" Fund, or in fund "Pensions for the persons under Art. 69" of the state social insurance and to the universal pension fund chosen by the person; transferred shall be funds calculated on the basis of the remuneration, on which the person has been insured by the moment of termination of their legal relations with a body of the Union, and the corresponding amount of the instalment at the moment of the transfer and insurance periods of actual practice at the Union, as well as all other insurance periods acknowledged by the Union, excluding the ones from Bulgaria.

(2) (amend. – SG 60/11, in force from 05.08.2011) To the calculation of the funds under Para 1, Item 2 shall apply the limit of the maximum amount of the monthly insurable income in the Republic of Bulgaria at the moment of the transfer.

(3) (amend. – SG 60/11, in force from 05.08.2011) The amount left after the transfer of the funds under Para 1, Items 1 and 2, shall be transferred to a fund for additional voluntary insurance chosen by the person.

(4) (amend. And suppl. – SG 60/11, in force from 05.08.2011) As insurance service in the Republic of Bulgaria shall be recognized the sum of the period of service under Art. 343b, Para 1 and the actual period of service in the European Union, including the insurance periods in other countries and/or international organizations taken into account in the period of service of the European Union.

#### **Consequences from transfer of pension rights from the pension schemes of the Union to a fund of the additional voluntary pension insurance (title amend. – SG 60/11, in force from 05.08.2011)**

Art. 343e. (new – SG 19/10; amend. – SG 60/11, in force from 05.08.2011) A person that has transferred the funds, representing his pension rights from the pension schemes of the Union only to a fund for additional voluntary pension insurance:

1. shall not have the right to withdraw them before acquiring right to pension under Item 3;
2. shall not have the right to single or deferred payment of the funds under Art. 248, Para 2;
3. (amend. – SG 100/10, in force from 01.01.2011) acquire right to pension from this fund at the age for acquiring right to pension for insurance service and age under Art. 68, Para 1;
4. shall have the right to receive only lifetime pension from this fund.

#### **Right to transfer of pension rights to and from pension schemes of the European Central Bank and the European Investment Bank**

Art. 343f. (new – SG 60/11, in force from 05.08.2011) (1) Upon transfer of pension rights from and to pension schemes of the European Central Bank and of the European Investment Bank the provisions of Art. 343a to 343e shall apply accordingly.

(2) The scope of persons entitled to transfer, as well as the prerequisites and the terms for exercising this right shall be regulated by the Conditions of Employment, adopted by the Management Board of European Central Bank pursuant to Article 36 of the Statutes of the European System of Central Banks and the European Central Bank, respectively by the Staff Regulations of the Officials of the European Union and the Staff Regulations and Pension scheme of the European Investment Bank, adopted by the Board of Directors of the European Investment Bank pursuant to Article 31 of the Rules of Procedure of the European Investment Bank, adopted by the Management Board of the European Investment Bank pursuant to Article 7 of the Statutes of the European Investment Bank.

### **Secondary legislation**

Art. 343g. (new – SG 19/10; prev. text of Art. 343f, amend. – SG 60/11, in force from 05.08.2011) The Council of Ministers shall determine in an ordinance:

1. the order for transfer of pension rights from and to the pension schemes of the Union, the European Central Bank and the European Investment Bank;
2. the way of calculating the actuarial equivalent under Art. 343a, Para 1, Item 1;
3. the way of updating under Art. 343d, Para 1, Item 1.

### **Part three.**

## **MANDATORY ADMINISTRATIVE MEASURES AND ADMINISTRATIVE PENAL RESPONSIBILITY (new, SG 67/03)**

### **Chapter thirty nine.**

## **MANDATORY ADMINISTRATIVE MEASURES (new, SG 67/03)**

### **Types (new, SG 67/03)**

Art. 344. (new, SG 67/03) (1) (suppl. – SG 19/10, amend. SG - 15/18, in force from 16.02.2018) For prevention and stopping violations of Part Two and Part Two "a" of this code, Regulation (EU) 2015/2365 and of the acts for their implementation, for prevention and removal of the harmful consequences from them, as well as when the control activity is obstructed, untrue or misleading data are presented or the interests of the insured persons and pensioners are threatened the deputy chairman of the commission may apply the following mandatory administrative measures:

1. give obligatory prescriptions for undertaking concrete measures within a period set by him;
2. (suppl. - SG 22/15, in force from 24.03.2015, repealed – SG, 92/17, in force from 18.11.2018).
3. (repealed – SG, 92/17, in force from 18.11.2018).
4. (repealed – SG, 92/17, in force from 18.11.2018). convene the general assembly of the stock holders or set a sitting of the managing and supervisory board (board of directors) for taking a decision for the measures to be undertaken;
5. (repealed – SG, 92/17, in force from 18.11.2018). oblige in writing the pension insurance company to increase its capital within a set period;
6. (repealed – SG, 92/17, in force from 18.11.2018).
7. (repealed – SG, 92/17, in force from 18.11.2018).
8. (repealed – SG, 92/17, in force from 18.11.2018).
9. (repealed – SG, 92/17, in force from 18.11.2018).
10. (repealed – SG, 92/17, in force from 18.11.2018).
11. stop the using and circulation of documents which have not been approved by the respective order;
12. stop the circulation of advertisements and informational materials, as well as the holding of lotteries if they do not meet the requirements of art. 123i;
13. (repealed – SG, 92/17).
14. (repealed – SG, 92/17).
15. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, repealed – SG, 92/17).
16. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, repealed – SG, 92/17).
17. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) forbid or restrict activity of a pension insurance company abroad.

18. (new – SG, 92/17, revoked - SG 15/18, in force from 16.02.2018)

19. (new – SG, 92/17, revoked - SG 15/18, in force from 16.02.2018)

(2) (Amend. – SG, 92/17) The commission, upon a proposal of the deputy chairman of the commission may apply the following mandatory administrative measures:

1. appoint a receiver in the cases stipulated by this code;

2. appoint at the expense of the company for supplementary social insurance in the cases under

Para. 1:

a) a registered auditor;

b) external independent expert for carrying out an assessment of assets of fund for supplementary social insurance and/or of the company for supplementary social insurance;

c) external independent expert for carrying out assessment of the system for management of the company or of some of its functions;

d) actuary with recognized competence for carrying out actuary checkup;

3. order on writing the discharge of one or more persons, authorized to manage and represent a company for supplementary social insurance, in the cases under Para. 1.;

4. give obligatory prescriptions for needed changes in the rules of the funds for supplementary social insurance and in other internal acts, adopted by the company for supplementary social insurance under the requirements of this Code and the instruments on its implementation;

5. prohibit signing new insurance contracts for a certain period;

6. call the general meeting of shareholders or appoint a meeting of the management or supervision board (board of directors) for making decision for the measures, which are to be undertaken;

7. oblige in writing the pension insurance company to increase its capital within a certain term;

8. prohibit temporarily payment of dividends;

9. oblige the company for supplementary social insurance to terminate the contractual relations with a bank trustee, with an investment mediator or with insurance mediator, if they do not meet the provided requirements by the Code.

10. interrupt the implementation of a decision or order of the management bodies of the company for supplementary social insurance, which refer to the activity of supplementary social insurance, if it violates the requirements of the legislative acts on supplementary social insurance;

11. withdraw a permit for management of a fund for supplementary social insurance;

12. restrict the activity of the pension-insurance company in the cases under Para. 1, by prohibiting to carry out certain transactions, activities and/or operations;

13. withdraw a license for supplementary social insurance in the cases, provided by this Code;

14. prohibit temporarily a shareholder to exercise his right to a vote, if the requirements of Art. 121g, Para. 1 – 3 have been violated;

15. order in writing to an actuary to transfer his shares within a certain term, if the requirements of Art. 121g, Para. 1 – 3 have been violated;

16. prohibit the pension insurance company to accept and manage funds under a certain professional scheme;

17. prohibit or restrict the activity of the pension insurance company abroad;

18. impose temporary prohibition for fulfillment of the function of a member of a management or control body, or of another person, authorized to manage and/or represent the company for supplementary social insurance;

19. oblige the company for supplementary social insurance to restrict its operative costs, including as a percent of the total net revenues, where the requirements of Art. 121c, Para. 4, 11 and 12 have been violated, or there is an immediate danger for their violation;

20. (revoked SG - 15/18, in force from 16.02.2018)

(3) The commission may inform the public about the implied measures under para 1 and 2 or

about an activity threatening the interests of the insured persons and pensioners.

(4) (Amend. – SG, 92/17, suppl. - SG 15/18, in force from 16.02.2018) The measures under para 1 and 2 shall apply regarding the controlled persons, their employees, persons in managerial position in the company for supplementary social insurance or persons authorised to conclude insurance contracts and to accept applications for insurance, as well as persons possessing ten or over ten percent of the capital of the company. The measures under para. 1, item 1 may also apply to persons, which operate without the license or permission required by this Code.

(5) (New – SG, 92/17) The measures under Para. 1 and 2 shall apply also in the cases of violation of an act of an EU body with direct action, by which obligations shall be applied to the persons under Para. 4, in relation to the activity of supplemented social insurance.

(6) (amend. - SG 59/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, former Para. 5 – SG, 92/17) For systematic violations of this code and of the acts for its implementation by a bank-trustee the commission may propose to the Bulgarian National Bank the application of measures under art. 103, para 2 of the Credit Institutions Act.

(7) (new – SG 41/07, former Para. 6, amend. – SG. 92/17) The Commission may upon request of a supervisory body of a Member State of a seat of an international institution prohibit the established in the territory of the Republic of Bulgaria bank-trustee to follow an instruction of the institution with regard to deposited by the institution assets of the professional schedule. In this case the Commission shall advise immediately the Bulgarian National Bank.

(8) (amend. - SG 30/06, in force from 12.07.2006; prev. par. 6 – SG 41/07, former Para. 7 – SG, 92/17) In applying mandatory administrative measures under para 1 and 2 the provisions of the Administrative procedure code regarding the explanations and objections of the interested persons shall not apply.

(9) (New – SG, 92/17, in force from 18.11.2018) The procedure and way of appointment of the persons under Para. 2, p. 2 and the requirements to them shall be provided by a commission ordinance.

### **Mandatory administrative measures for violations related to the basic information documents for packaged retail investment products**

Art. 344a. (new - SG 15/18, in force from 16.02.2018) (1) For the prevention and termination of violations of Art. 5, paragraph 1, Art. 6 and 7, Art. 8, paragraphs 1 to 3, Art. 9, Art. Article 10 (1), Art. 13, paragraphs 1, 3 and 4, Art. 14 and 19 of the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (OB, L 352/1 of 9 December 2014), referred to hereinafter "Regulation (EU) No 1286/2014" and act for its implementation, as well as to prevent and eliminate the harmful consequences thereof, the Commission may apply the following mandatory administrative measures:

1. to prohibit the conclusion of insurance contracts;
2. to prohibit the conclusion of insurance contracts for a certain period;
3. to prohibit the submission of a key information document, which does not meet the requirements of Art. 6, 7, 8 or 10 of Regulation (EU) No 1286/2014 and to require the issuance of a new version of the key information document;
4. to provide mandatory prescriptions for taking other specific measures within a certain period of time;

(2) The measures under para. 1 shall apply to the insurance companies for unemployment and/or professional qualification, their employees, persons who carry out managerial functions in companies and the persons authorized to conclude insurance contracts.

(3) When the Commission has applied the measures under para. 1 or the deputy chairman of the

commission has imposed an administrative penalty under Art. 351a, the commission, respectively the deputy chairman of the commission, may require the person under para. 2 to send a message to the affected insured person or insurer by providing him with information on the applied mandatory administrative measure or the imposed administrative penalty and inform him where he or she can file a complaint or a claim for compensation.

(4) The Commission may issue a warning indicating the person responsible for the infringement of Regulation (EU) No 1286/2014 or an implementing act.

(5) In determining the type of mandatory measure, the Commission shall take into account the circumstances under Art. 25 of Regulation (EC) No 1286/2014.

(6) In the application of mandatory administrative measures under para. 1 the provisions of the Administrative Procedure Code concerning the explanations and objections of the persons concerned shall not apply.

#### **Proceedings (new, SG 67/03)**

Art. 345. (new, SG 67/03) (1) (amend. - SG 22/15, in force from 24.03.2015, suppl. – SG, 92/17, amend. - SG 15/18, in force from 16.02.2018) The mandatory administrative measures under art. 344, Para. 1 shall apply by a written motivated decision of the deputy chairman of the commission which shall be announced to the interested person within seven days from its issuance.

(2) (suppl. - SG 15/18, in force from 16.02.2018) The mandatory administrative measures under Art. 344, para. 2, Art. 344a, para. 1 and Art. 346a, para. 1 and 2 shall be applied by a written motivated decision of the commission which shall be announced to the interested person within seven days from its issuance.

#### **Appeal (new, SG 67/03)**

Art. 346. (new, SG 67/03; amend. - SG 22/15, in force from 24.03.2015) (1) (amend. - SG 30/06, in force from 12.07.2006) The decision under art. 345, para 1 may be appealed only through administrative channels before the commission and through administrative channels before the Supreme Administrative Court. The appeal shall not suspend its implementation.

(2) The decision under art. 345, para 2 may be subject to appeal before the Supreme Administrative Court. The appeal shall not suspend its implementation.

#### **Mandatory administrative measures towards a foreign institution**

Art. 346a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17) (1) In the event of non-observance of the provisions of the Bulgarian labour and insurance legislation, relevant to professional scheme, including the ones, related to the investment activity and the disclosure of information, the commission may order in writing the foreign institution, managing the scheme to terminate and remove in a certain term admitted violations and harmful consequences from them.

(2) In the cases under Para. 1, the commission may prohibit to the institution to manage the professional scheme.

(3) The measures under para 1 and 2 shall be applied if the circumstances under art. 229d, para 3 and 4 are present.

#### **Subsidiary application**

Art. 346b. (New – SG, 92/17) Unless this Chapter provides special rules, the relevant provision of the Administrative – procedure Code shall apply.

**Chapter forty .**  
**RECEIVER (new, SG 67/03)**

**Quaestor (new, SG 67/03)**

Art. 347. (new, SG 67/03) (1) The quaestor is a natural person.

(2) (Amend. – SG, 92/17, in force from 18.11.2018) The receiver shall meet the requirements of art. 121e, para 1, and Para. 5, p. 1 – 8 and 10 – 12, as well as;

1. not to have relations with the company for supplementary social insurance, which give rise to a grounded doubt of his objectivity;

2. (amend. – SG, 92/17, in force from 18.11.2018) not be a spouse, a relative on the direct or collateral line up to sixth degree or by marriage up to third degree of a member of a managing or control body of the c company for supplementary social insurance, whose legal authorities have been terminated by the act for appointment of the receiver and is not in factual cohabitation in such a person;

3. (repealed – SG, 92/17, in force from 18.11.2018).

(3) (suppl. - SG 103/17, in force from 01.01.2018, amend. - SG 98/18, in force from 18.11.2018) The receiver shall declare in writing before the commission the circumstances under para 2, as the circumstances under Art. 121e, para. 5, item 3 for the Bulgarian citizens shall be established ex officio. He shall be obliged to inform immediately the commission for changes of these circumstances.

**Rights and obligations of the receiver (new, SG 67/03)**

Art. 348. (new, SG 67/03) (1) With the appointment of a receiver all legal authorities of the supervisory and of the managing board, respectively of the board of directors of the company for supplementary social insurance, shall be terminated and they shall be exercised by the receiver, inasmuch as the act for appointment does not stipulate restrictions.

(2) Actions and transactions carried out on behalf and for the account of the company for supplementary social insurance, without prior authorisation by the receiver, shall be null and void.

(3) The receiver shall have unlimited access to the premises of the company for supplementary social insurance, to accountancy and other documentation and to its property.

(4) The employees of the company for supplementary social insurance shall be obliged to assist the receiver in exercising his legal capacity.

(5) The receiver shall exercise his legal capacity with the care of a good husbandry and shall take all necessary measures for protection of the interests of the insured persons. The receiver shall bear responsibility for the damages deliberately caused by him.

(6) The receivers shall report on their activities only to the commission and, upon request, shall immediately present a report.

(7) The receiver shall receive, for his work, a remuneration to be determined by the commission, which shall be for the account of the company for supplementary social insurance.

(8) The legal capacities of the receivers shall be terminated upon appointment of a liquidator or an assignee in bankruptcy.

(9) The commission may, at any time, terminate the legal capacity of a receiver and appoint another one in his place.

(10) The commission may give obligatory prescriptions to the receiver in connection with his activity.

**Chapter forty one.**  
**ADMINISTRATIVE PENAL RESPONSIBILITY (new, SG 67/03)**



## **Section I.**

### **Responsibility for violation of the provisions of the legislation regarding the state public insurance (new, SG 67/03)**

#### **Grounds (new, SG 67/03)**

Art. 349. (New, SG 67/03) (1) (\*) (suppl., SG 112/03, suppl. - SG 105/05, in force from 01.01.2006; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 100/11, in force from 01.01.2012) In the event of violations of the provisions of Part One of this Code, the statutory instruments on implementation thereof or upon non-fulfilment of an obligatory prescription of a control body, the offenders shall be punishable by a fine amounting from 100 to 2000 BGN, while the insurers who are legal entities and sole entrepreneurs shall be punishable by a proprietary sanction amounting from 500 to 2000 BGN for each individual case.

(2) (revoked – SG 105/05, in force from 01.01.2006)

(3) (new – SG 99/09, in force from 01.01.2010) An insurer who does not submit to the respective territorial unit of the National Social Security Institute within the fixed term documents certifying that indemnities for temporary disability, vocational rehabilitation and motherhood or submits such documents with incorrect data filled in, unless subject to a heavier punishment, shall be punished by a property sanction or a fine amounting to 500 to 2000 BGN, and the guilty official, unless subject to a heavier punishment, shall be punished by a fine amounting from 100 to 1000 BGN for each individual case.

(4) (amend. - SG 105/05, in force from 01.01.2006; suppl. – SG 105/06, in force from 01.01.2007; prev. text of para 3 – SG 99/09, in force from 01.01.2010) Who draws up a document of untrue contents or provides incorrect information under Art. 4, par. 4 for the purpose of unjustified receiving of insurance payments, shall be punished by a fine of 500 BGN for each individual case, unless subject to a more severe penalty.

(5) (prev. text of para 4, amend. – SG 99/09, in force from 01.01.2010) For repeated violation under para 1, 3 and 4 shall be imposed a property sanction and/or fine in double amount.

#### **Liability for Unlawful Storage of Documents for Pensionable Service and Insurable**

##### **Income**

Art. 349a (new - SG 104/05, in force from 27.12.2005) (1) A legal person which does not hand in the original documents of terminated insurers without a successor, on the grounds of which inured practice and income shall be found, at the local unit of the Social Security Institute, shall be punished with a property sanction amounting from 500 to 2000 BGN.

(2) A natural person who does not hand in the original documents of terminated insurers without a successor, on the grounds of which inured practice and income shall be found, at the local unit of the Social Security Institute, shall be punished with a fine from 50 to 1000 BGN.

#### **Establishing the violation (new, SG 67/03)**

Art. 350. (new, SG 67/03) (1) (suppl. – SG 105/06, in force from 01.01.2007) The offences under art. 349 and Art. 349a shall be established by acts issued by the control bodies of the Social Security Institute.

(2) The penal provisions shall be issued by the head of the territorial division of the Social Security Institute or by an official authorized by him.

(3) The establishment of offences, the issuance, the appeal and the execution of the penal provisions shall be carried out by the order of the Administrative Violations and Penalties Act.

## Section II.

### Responsibility for violations of the provisions of the legislation regarding the supplementary social insurance (new, SG 67/03)

#### Responsibility for violations of the normative provision (new, SG 67/03)

Art. 351. (new, SG 67/03, amend. – SG, 92/17, in force from 18.11.2018) (1) Who commits or admits the commitment of violations:

1. of Art. 121e, Para. 15, Art. 121h, Art. 123d, Para. 1 – 4 and 6 – 16, Art. 123h, 135, 142a, Art. 143, Para. 3, Art/ 144. Para. 5, Art/ 145. Para. 3, Art/ 153, 154, 173, Art. 188, Para. 1 and 2, Art. 216, 216a, Art. 218, Para. 4, Art. 223, 224, Art. 229, Para. 5, Art. 299a, Para. 4, Art/ 229c, Art. 230, Para. 5 and 6, Art. 231, 233, Art/ 235, Para. 3, Art. 235a, Art/ 236, Para. 1 and 2. Art. 237, 238, 239, 240, 248, 248a, 317, Art. 326, Para. 2, Art. 327, Para. 3, Art. 330 and Art. 331, Para. 5, shall be punished by a fine of BGN 700 to 10 000;

2. of Art. 121f, Para. 3, Art. 122a, Para. 4, Art. 122i, Para. 1, Art. 122k, Art. 123, Para. 1, Art. 123c, 123f, Art. 123f1, Para. 1 – 9, Art, 123g, Art. 123i, Para. 1 – 5, Art. 123i1, Art. 129, Para. 1 – 8 and Para. 1 and 11, Art. 131, 139, 142, 169, 169a, 169b, 170, 175, 175a, 176, 177, 177a, 178, 179, 179a, Art. 179b, Para. 1 and 2, Art. 179c, Art. 180, Para. 1, Art. 180a, 180c, Art. 181, Para. 1, 185, Para. 1 and 2, Art. 186, 186a, 187, Art. 187a, Para. 1, Art. 190, 192, Art. 193, Para. 5 – 11, Art. 201, 202, 2012, Art, 213, Para. 1 – 4, Art, 213a, Para. 1, 2, 4 and 5, Art. 213b, Art. 229d, Para. 1, Art. 234, Para. 1 – 8 and 10 – 13, Art. 241,241a, 245, Art. 246, Para. 1 – 6, Art. 249, 251, 251a, 251b, 251c, 252, Art. 256, Para. 1, Art. 257, 258, 319, Art. 326, Para. 2, Art. 332, 336, Art. 340, Para. 1 and 2, Art. 342. Art. 347, Para. 3 and Art. 348, Para. 3 – 7 shall be punished by a fine of BGN 1500 to 20 000;

3. of Art. 121, Para. 1 – 5, Art. 121a, 121b, Art. 121c, Para. 1 – 6,8 and 10 -14, Aer. 121d, Art. 121f, Para. 2 and 4, Art. 121g, Para. 3 and 5, Art. 122g, 123b, 123e, 126, Art. 154a, Para. 1, Aer. 203, Art. 209, Para. 3, Art. 226, Para. 1, Art. 259 and Art. 322, Para. 7 shall be punished by a fine of BGN 3000 to 40 000;

4. apart from the cases under p. 1, 2 or 3 of Part Two, or Part Two “A” of the normative acts on the implementation of this Code, and/or of an act or body of the EU with direct action, by which obligations are assigned while realizing the activity on supplemented social insurance shall be punished by a fine of BGN 700 to 10 000.

(2) In case of a repeated violation of Para. 1, the guilty person shall be punished by a fine in the amount as follows:

1. for violations under Para. 1, p. 1 – from BGN 2000 to 20 000;
2. for violations under Para. 1, p. 2 – from BGN 4000 to 40 000;
3. for violations under Para. 1, p. 3 – from BGN 1000 to 20 000;
4. for violations under Para. 1, p. 4 – from BGN 2000 to 20 000;

(3) For violations under Para. 1, the legal persons shall be imposed by a property sanction in the amount as follows:

1. for violations under Para. 1, p. 1 – from BGN 10 000 to 50 000;

(3) In case of a repeated violation under Para. 1, the punishment shall be a fine of BGN 500 to 20 000, and in repeated violation under Para. 2 – from BGN 30 000 to 100 000;

2. for violations under Para. 1, p. 2 – from BGN 20 000 to 100 000 and in repeated violations – from BGN 40 000 to 200 000;

3. for violations under Para. 1, p. 3 – from BGN 40 000 to 200 000 and in repeated violations – from BGN 80 000 to 400 000;

4. for violations under Para. 1, p. 2-4 – from BGN 5000 to 50 000 and in repeated violations – from BGN 15 000 to 100 000;

(4) Anyone, who provides or admits providing untrue information in relation to realization of the insurance supervision, shall be punished by a fine of BGN 10 000 to 50 000, where the deed is not a

crime.

(5) For violations under para 4 the pension insurance company shall be punished by a proprietary sanction of BGN 20 000 to 150 000 BGN.

(6) A person, who carries out activity as insurance mediator without a signed contract with the pension insurance company, shall be punished by:

1. a fine of BGN 1500 to 10 000 – for a natural person;
2. a property sanction of BGN 4000 to 50 000 – for legal person or a sole trader.

(7) The income acquired from illegally practised activity shall be seized in favour of the state to the degree to which they cannot be recovered to the affected persons.

### **Liability for infringements of Regulation (EU) No 1286/2014 and acts of its implementation**

Art. 351a. (new - SG 15/18, in force from 16.02.2018) (1) A person who performs managerial duties in an insurance companies for unemployment and/or professional qualification, an employee of the company and a person authorized to conclude insurance contracts, who commits or allows a violation of:

1. Article 5, paragraph 1, Art. 6 and 7, Art. 8, paragraphs 1 to 3, Art. 9, Art. 10, paragraph 1, Art. 13, paragraphs 1, 3 and 4, Art. 14 or Art. 19 of Regulation (EU) No 1286/2014 shall be punished by a fine of BGN 2500 to 1 400 000;

2. of Regulation (EC) No 1286/2014, except for the cases referred to in item 1 or the act of its implementation shall be punished by a fine of BGN 1500 to 700,000;

(2) In case of repeated violation under para. 1 the offender shall be punished by a fine in the amount as follows:

1. for violations under para. 1, item 1 - from BGN 5000 to 2 800 000;
2. for violations under para. 1, item 2 - from BGN 3000 to 1 400 000.

(3) For violations under para. 1 - to an insurance companies for unemployment and/or professional qualification shall be imposed a property sanction in the following amounts:

1. for violations under para. 1, item 1 - from BGN 20 000 to 10 000 000 and in case of repeated violation - from BGN 40 000 to 20 000 000;

2. for violations under para. 1, item 2 - from BGN 10 000 to 5 000 000, and in case of repeated violation - from 20 000 to 10 000 000 BGN.

(4) In determining the administrative penalty, the Deputy Chairperson of the Commission shall take into account the circumstances under Art. 25 of Regulation (EC) No 1286/2014.

(5) Incomes acquired through unlawful activity shall be seized in favour of the state to the extent that they can not be recovered to the injured party

### **Liability for infringements of Regulation (EU) № 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ, L 201/1 of 27 July 2012) (Regulation (EU) № 648/2012) and acts of its implementation**

Art. 351b. (new - SG 15/18, in force from 16.02.2018) (1) A person who performs managerial duties in pension insurance company or an employee of the company who commits or allows a violation of Title II of the Regulation (EU) № 648/2012 shall be punished by a fine of BGN 5 000 to BGN 20 000, and in the case of a repeated violation from BGN 10 000 to BGN 40 000.

(2) A pension insurance company of Title II of the Regulation (EU) № 648/2012 shall be punished by a property sanction of BGN 10 000 to BGN 40 000 and in the case of a repeated violation from BGN 20 000 to BGN 80 000.

### **Liability for infringements of Regulation (EU) № 2015/2365**

Art. 351c. (new - SG 15/18, in force from 16.02.2018) (1) A person who performs managerial

duties in pension insurance company who commits or allows a violation of Art. 4 or 15 of Regulation (EC) 2015/2365 shall be punished by a fine of BGN 5 000 to 5 000 000 and in the case of a repeated violation from BGN 10 000 to BGN 10 000 000.

(2) A pension insurance company, which has committed a violation of Art. 4 of Regulation (EC) 2015/2365 shall be punished by a property sanction of BGN 10 000 to BGN 40 000, and in the case of a repeated violation from BGN 20 000 to BGN 10 000 000.

(3) A pension insurance company, which has committed a violation of Art. 15 of Regulation (EC) 2015/2365 shall be punished by a property sanction of BGN 20 000 to BGN 80 000, and in the case of a repeated violation from BGN 40 000 to BGN 30 000 000.

**Responsibility for non-fulfilment of a mandatory administrative measure (new, SG 67/03)**

Art. 352. (new, SG 67/03) (1) (Amend. – SG, 92/17) Who does not fulfil a mandatory administrative measure imposed by the commission or by the deputy chairman of the commission shall be fined by BGN 4000 to 20 000.

(2) (Amend. – SG, 92/17) For offences under para 1 a proprietary sanction of BGN 40 000 to 100 000 shall be imposed on legal persons.

**Responsibility for activity without a licence (new, SG 67/03)**

Art. 353. (new, SG 67/03) (1) (Amend. – SG, 92/17) A corporate body carrying out activity of supplementary social insurance without holding the necessary licence and permits for management of funds for supplementary social insurance shall be punished by a proprietary sanction from BGN 20 000 to 150 000.

(2) (Amend. – SG, 92/17) A person who deliberately creates conditions for conclusion of insurance contracts with a corporate body without a licence and permits for management of funds for supplementary social insurance shall be fined by BGN 5000 to 50 000.

**Responsibility for failure to pay property sanctions on penal decrees**

Art. 353a. (New – SG, 92/17) Any person, who within 1-month term from the enforcement of the penal decree fails to pay the imposed property sanction, shall be due interest in the amount of the legal interest for the period from the date, following the date of expiry of the one-month term to the date of payment.

**Acts, penal provisions and appeal (new, SG 67/03)**

Art. 354. (new, SG 67/03) (1) (suppl. – SG 19/10, suppl. - SG 15/18, in force from 16.02.2018) The violation of the provisions of Part Two and Part Two "a" of this code, of Regulation (EU) No 1286/2014, Regulation (EU) No 648/2012, Regulation (EC) 2015/2365 and the acts of their implementation shall be established by acts issued by officials authorised by the deputy chairman of the commission.

(2) The penal provisions shall be issued by the deputy chairman of the commission or by an official authorised by him.

(3) The establishing of the offences, the issuance, appeal and execution of penal provisions shall be carried out by the order of the Administrative Violations and Penalties Act.

**Section III.**

**Responsibility for non-fulfillment of the liabilities for declaring information before the National Revenue Agency and for depositing obligatory insurance installments (new - SG 105/05, in force from 01.01.2006)**

Art. 355. (new - SG 105/05, in force from 01.01.2006) (1) (amend. – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 94/12, in force from 01.01.2013; amend. - SG 61/15, in force from 01.01.2016, suppl. – SG 98/16, in force from 01.01.2017) Whoever violates the provisions of Art. 5, Para 4 and Art. 6, Para 9, and the provisions of the legal acts related to their application, and whoever fails to submit or does not submit in time the statement within the data under Art. 5, para. 4 or a declaration from a self-insured person, shall be punished by a fine from 50 to 500 BGN for natural persons who are not traders, or by a property sanction amounting from 500 to 5000 BGN for sole traders and legal persons, unless subject to a more severe penalty.

(2) (suppl. – SG 99/09, in force from 01.01.2010, amend. – SG 98/16, in force from 01.01.2017) Whoever draws up a document with untrue contents or presents untrue data under art. 5, para 4 for the purpose of avoiding the payment of obligatory insurance installments shall be punished by a fine from 50 to 250 BGN for each individual case, unless subject to a more severe penalty.

(3) (suppl. – SG 99/09, in force from 01.01.2010; revoked – SG 94/12, in force from 01.01.2013)

(4) (amend. – SG 99/09, in force from 01.01.2010) For repeated violation under para 1 the penalty shall be a fine from 500 to 2000 BGN or a property sanction amounting to 1000 BGN for each individual case, however not more than 10 000 BGN and under para 2 – a fine of 500 BGN for each individual case, but not more than 10 000 BGN.

(5) The acts for establishing the administrative offences shall be drawn up by the bodies of the National Revenue Agency, and the penal provisions shall be issued by the executive director of the National Revenue Agency or by an official, authorized by him.

(6) The establishment of the offences, the issuance, the appeal and the execution of the penalties shall be carried out by the order of the Administrative Violations and Penalties Act.

### **Additional provisions**

§ 1. (amend., SG 67/03) (1) In the meaning of part One of this code:

1. "Enterprise" is every place where hired labour is performed.

2. (amend. - 95/06, in force from 01.01.2007; amend. – SG 105/06, in force from 01.01.2007; suppl. – SG 99/09, in force from 01.01.2010) "Net remuneration" is the received remuneration after deduction by the paid or calculated remuneration with the determined in a law obligatory insurance instalment for the account of the persons and by the due taxes according to the Income Taxes on Natural Persons Act. In those cases where remunerations have not been assigned, at fixing the pecuniary indemnification for gross remuneration till the moment of their assignment shall be taken into account the minimum insurable income as per Art. 6, para 2, item 3 or the minimum monthly salary for the state, if there is no minimum insurable income fixed.

3. (new – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010, amend. – SG 98/16, in force from 01.01.2017) "Insured person" is a natural person, carrying out labour activity, for which he/she shall be subject to obligatory insurance under Art. 4 and Art.4a, para 1 and for whom insurance instalments have been paid or are due. Insurance of the person, who has commenced labour activity as per Art. 10, shall also continue during the periods of Art. 9, par. 2, item 1 – 3 and item 5. Self-insured persons shall be deemed insured for the period during which the outstanding contributions of Art. 6, para. 8 have been deposited, and the persons referred to in Art. 4a shall be deemed insured for the time, during which the insurance instalments due have been deposited.

4. (prev. item 3 – SG 105/06, in force from 01.01.2007; suppl. - SG 98/15, in force from 01.01.2016) The consolidated budget of the state public insurance shall include the budgets of fund "Pensions", fund "Pensions of the persons under Art. 69", fund "General disease and motherhood", fund

"Labour accident and professional disease", fund "Unemployment", fund "Pensions, not connected with labour activity" and the budget of the Social Security Institute.

4a. (new – SG 107/14, in force from 01.01.2015, amend. – SG 98/16, in force from 01.01.2017)

“Consumer price index” under Art. 100 shall mean the harmonized index of consumer prices.

5. (\*) (amend., SG 112/03; prev. item 4 – SG 105/06, in force from 01.01.2007; amend. - SG 12/15) "Registered farmers and tobacco producers" are the individuals who produce vegetal and/or animal products designated for sale and who are registered by the established order.

5a. (new – SG 99/09, in force from 01.01.2010) "Seafarer" is a natural person who holds a position under employment legal relation as a member of a ship crew, provided that the ship is entered in the register of the ships of a Member State of the European Union, regardless whether such a person is onshore or on the ship board, whether he/she has a certificate of competence and certificate of supplementary and/or special training, acquired according to the procedure set forth in the ordinance as per Art. 87, para 1 of the Merchant Shipping Code.

6. (prev. item 5 – SG 105/06, in force from 01.01.2007) "Related persons" are:

a) the persons, one of which participates in the management of the other or of his affiliate company;

b) the persons in whose managing or control body participates one and the same corporate body or individual, including when the corporate body is a representative of a corporate body;

c) (amend. - SG 104/05, in force from 01.01.2006) a company or an individual possessing more than 50 percent of the shares and stocks issued with a voting right in the company;

d) the persons whose activity is controlled by a third person or by his affiliate company;

e) the persons who jointly control a third person or his affiliate company;

f) the partners, including in the companies under art. 357 of the Obligations and Contracts Act.

7. (prev. item 6 – SG 105/06, in force from 01.01.2007; amend. - SG 98/15, in force from 01.01.2016) "Control" in the meaning of item 6 shall be present when the controller:

a) possesses, including through an affiliate company, or by virtue of an agreement, jointly with another person, over 50 percent of the number of votes of the general assembly of one company or other corporate body, or

b) may determine directly or indirectly more than half of the members of the managing body of one corporate body.

8. (prev. item 7 – SG 105/06, in force from 01.01.2007) "Insurance instalments of large size" are those exceeding 3000 BGN.

9. (prev. item 8. – SG 105/06, in force from 01.01.2007) (\*) (new, SG 112/03) "Unprocessed vegetal and animal products" is every primary product obtained from plants and animals, used in its natural state, without being subjected to technological treatment and processing, as a result of which physical and chemical changes of the composition might occur.

10. (new – SG 19/10) "Minimum payment rates" shall be those determined by the national legislation and/or by the practice of the host country.

11. (new – SG 100/11, in force from 01.01.2012; amend. – SG 106/13, in force from 01.01.2014; suppl. - SG 98/15, in force from 01.01.2016) "Pension for pensionable service and age" under Section III of Chapter four shall mean pension under Art. 68, Art. 69, Art. 69a, Art. 69b, Art. 69c and § 4 and 5 of the Transitional and Final Provisions.

12. (new – SG 107/14, in force from 01.01.2015) “Actual pensionable service” shall mean the actually served time on employment or official legal relationship, the time during which the person was employed under another contract and was obligatorily insured for disability, old age and death, as well as the time during which the person was subject to obligatory insurance for or its own account and has paid the insurance contributions due.

13. (new - SG 98/16, in force from 01.01.2017) "Exercising the right to unemployment benefit" is the existence of a period for which unemployment benefits have been paid.

14. (new - SG 98/16, in force from 01.01.2017) "Childcare facilities of full state maintenance" are establishments where children are provided with housing, food and clothing at the expense of the state and municipal budgets without charging any fee.

(2) In the meaning of Part Two of this Code:

1. "Pension scheme" is a concrete financial mechanism of determining pension obligations and payments calculated by statistic (actuary) methods.

1a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Professional scheme" are rules for supplementary voluntary pension insurance, contracted in collective agreement or in collective contract between the enterprise insurer and the persons under art. 4, para 1 and para 3, items 5 and 6.

2. "Statistic (actuary) methods" is a combination of statistic methods and rules applied for determining the expected revenue from future instalments and investments, as well as for determining the due sums for payment of future pensions by the pension insurance company.

2a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Collective agreement" is every agreement, reached between the parties under the professional scheme, whose subject is the settlement of the rights and the obligations under such scheme.

3. (amend. – SG, 92/17, in force from 18,11,2018) "Related persons" are:

a) the legal persons, for which some of the following conditions has been fulfilled:

aa) they are a parent undertaking and/or subsidiary of one and the same group (i.e. every parent undertaking, subsidiary and other subsidiary is related to the other ones);

bb) one of them participates or is joint venture of the other company, or participates in, or is joint company of a parent undertaking or subsidiary of a group, in which the other company is parent undertaking or subsidiary;

cc) both companies are joint companies of one and the same third person;

dd) one of them is joint company of, and in the other, there is participation one and the same third person;

ee) one of them is controlled or jointly controlled by a natural person, who is in relations with the other legal person under letter "b";

ff) in relation to one of them, natural person, who is in relations with the other legal person under letter "b", sub-letter "aa" exercises substantial influence or occupies managing position in it or in its parent undertaking;

b) legal person and natural person, if the natural person or close member of his family:

aa) exercises control or joint control over the legal person;

bb) exercises substantial influence over the legal person, or

cc) occupies managing position in the legal person or in the parent undertaking of the legal person.

In the meaning of letter "a", sub-letters "bb" – "dd", "joint company" is a company, on which the relevant person exercises joint control with another person; a joint company shall be considered also the subsidiaries of the joint company.

In the meaning of letter "b", "close family members" of a certain person are the members of the family, who may influence or may be influenced by this person in his relations with the legal person, including his children and spouse, the person, with whom is in factual cohabitation, the children of this person and the person, who are under his support or under support of the person, with whom factual cohabitation is present.

In the meaning of letter "a", sub-letter "ff" and letter "b". sub-letter "bb", substantial influence is present, where the relevant person has directly and/or through a controlled person/s 20% or more than 20% of the capital or of the votes of the general meeting of the legal person where the total amount of the participation is equal to the sum of the directly possessed votes and the votes, possessed by

controlled persons.

In the meaning of letter “a”. sub-letters “ee” and letter “b”. sub-letter “aa”, “joint control” is provided by a contract sharing of control over the activity of the legal person and is present, where for the decision making for this activity a unanimous consent is needed of the persons, who share the control.

3a (new – SG, 92/17, in force from 18.11.2018) “Close relations” are present, where 2 or more natural persons or legal persons are related through control or participation, or where 2 or more natural or legal persons are permanently related to one and the same person through relations of control. In the cases under Art. 177, Para. 1, p. 2 and Para. 2, p. 4 and 5 the determination of the persons, who are in close relations under sentence one shall be restricted to legal persons and shall be done on the basis of publicly accessible information.

3b (new - SG, 92/17, in force from 18.11.2018) “Participation” is present, where one person has directly or indirectly 20% or more of the capital or of the votes of the general meeting of a company.

4. (amend. - SG 17/06; amend. - SG 61/15, in force from 12.08.2016) "Control" shall be present when a certain natural or legal person (the controller):

a) (amend. - SG, 92/17, in force from 18.11.2018) may exercise directly and/or indirectly more than half of the votes of the general meeting of a legal person, or

b) can determine more than the half of the members of the managing or control body of a legal person and is also a shareholder or a partner in that person, or

c) has the right to exercise decisive impact on the legal person by virtue of a contract with this person or of its articles of association or statute, if allowed under the legislation applicable to the said legal person, or

d) is a shareholder or a partner in a company, and:

aa) more than the half of the members of the managing or control body of this legal person, who have exercised the respective functions during the preceding and the current financial year and until the moment of drawing up the consolidated financial reports, were appointed only as a result of exercising its voting rights, or

bb) which independently controls by virtue to a contract with other shareholders or partners in the said legal person more than the half of the votes in the general meeting of the said legal person, or

e) (amend. – SG, 92/17, in force from 18.11.2018) In the cases of letters “a”, “b” and “d” to the votes of the controlling person, shall be added:

aa) the votes of the legal persons, on whom he exercises control;

bb) the votes of the persons, who act on their behalf, but at his expense or at the expense of a controlled by him legal person;

cc) indirectly possessed votes in the capital of the legal person to which control is estimated, calculated where the participation of the controlling in the capital of the person, through whom indirect participation is possess and the participation of this person in the capital of the legal person, to whom is estimated control, where:

aaa) in case of more than one interim person in the line of indirect possession in the work shall be included also the participation of the relevant interim person in the capital of the other one;

bbb) in indirect possession of participation in more than one line, the sum of the indirectly possessed by the controlling person votes in the capital of the legal person, to whom control is estimated in every line.

In the cases of Items (a), (b) and (d) to the votes of the controller shall be added also the votes of the legal persons controlled by it and the votes of the persons act in their name but for its account or for the account of a legal persons controlled by it.

In the cases of Items (a), (b) and (d) the votes of of the controller shall be reduced by the votes related to shares held for the account of a person, which is neither the controller, nor a legal person controlled by it, and also the votes related to shares that are subject to a pledge, provided that the rights



therein are exercised at the order and in the interest of the pledgor.

In the cases of Items (a) and (d) the votes of the controller shall be reduced by the votes related to shares held by the person controlled by it through a person controlled by it, or through a person acting in its own name and for the account of the controller and the person controlled by it.

4a (new – SG, 92/17, in force from 18.11.2018) “Parent undertaking” is a legal person, who exercises control to one or more companies (subsidiaries).

4b. (new – SG, 92/17, in force from 18.11.2018) “Subsidiary” is a legal person, controlled by another legal person, (parent undertaking); the legal persons, who are subsidiaries of the subsidiary company are also subsidiaries companies of the parent undertaking.

4c. (new – SG, 92/17, in force from 18.11.2018) “Group” is a group of companies, which contains:

a) parent undertaking and its subsidiaries; the group also contains the companies, in which the parent undertaking or its subsidiaries have participation, or

b) companies, who are managed generally under a contract or their establishment acts or statutes, or

c) companies, in which more than half of the members of the management or controlling bodies are the same persons during the relevant financial year and by the date of drawing up the consolidated financial statement.

4d (new – SG, 92/17, in force from 18.11.2018) “Persons, acting in consent” are two or more persons, who according to the nature of the relations between them and a third person, according to their market behaviour or the signed by them trade transactions, may be made reasonable supposition, that they exercise, or will exercise the rights, related to their direct or indirect shareholding participation in the company for subsidiary social insurance in compliance with explicit or silent agreement between them.

4e (new – SG, 92/17, in force from 18.11.2018, amend. - SG 15/18) "Qualified participation" is direct or indirect participation, of 10% of more of the capital or of the rights to vote in the general meeting, defined under Art. 145 and 146 of the Public Offer of Securities Act, or which gives possibility for substantial influence over the management of the company. While defining the amount of the qualified participation, shall not be taken in consideration the rights to vote or the assets, which the investment mediators or the banks hold as result of provision of the services under Art. 6, Para. 2, p. 6 of the Markets of Financial Instruments Act under the conditions that those rights are not exercised or used in another way, to influence over the management of the company for subsidiary social insurance, as well as under the conditions that these rights are transferred in the term of one year form their acquiring.

5. (repealed – SG, 92/17, in force from 18.11.2018).

6. (repealed – SG, 92/17, in force from 18.11.2018).

7. (suppl. – SG, 92/17, in force from 18.11.2018). "Technical interest rate" is the interest applied in calculating the size of the pensions and of the pension and technical reserves.

8. (revoked - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union).

9. (amend. – SG, 92/17, in force from 18.11.2018). "Systematic violations" are 3 or more administrative violations of this Code and/or of the acts for its implementation during one year, or 3 and more administrative violations of one type, committed during 3 successive years.

10. "Other insurer" is an individual or a corporate body making insurance instalments in a fund for supplementary voluntary pension insurance in favour of an individual with whom he has no legal terms of employment or official terms of relations, or with whom he has no concluded contract for assignment of control or management.

11. (suppl. - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, amend. – SG, 92/17, in force from 18.11.2018). "Insured person" is an individual, in whose name and in whose individual account have been paid or are

paid insurance instalments for supplementary pension in a fund for supplementary pension insurance or a fund for supplementary voluntary pension insurance under professional schemes, under conditions and by an order determined by a law, the regulations for the structure and activity of the fund and the insurance contract, collective agreement or collective contract.

11a. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Enterprise insurer" is an insurer within the meaning of art. 5 or an enterprise, or any other organisation, which includes or consists of one or more natural or legal persons, which acts as an employer, assignor or as self-employed person or combines these three characteristics and which pays instalments to an institution for professional payment insurance, and with respect to which is applicable the labour and the insurance legislation of another Member state.

12. "Pensioner" is an individual receiving a personal or hereditary supplementary pension from a fund for supplementary pension insurance.

13. "Supplementary pension" is a termless or dated monthly payment by a fund for supplementary pension insurance to a pensioner, to legatees of an insured person or to legatees of a pensioner.

14. (new - SG 17/06), amend. – SG, 92/17, in force from 18.11.2018) "Secured corporate bonds" shall be bond emission, which is guaranteed in amount no less than 110 percent of the value of the takings on the principal is provided for with guaranty under Art. 100h, Para. 1 of the Public Offer of Securities Act.

15. (new - SG 17/06, amend. – SG, 92/17, in force from 18.11.2018) "Repo transaction" and "Reverse repo transaction" shall be every agreement, at which financial instruments are being transferred, provided that a commitment is made for their reverse buy out (or exchange with financial instruments, having the same characteristics) at a set price on a fixed future date or on a date, which shall be fixed by the transferor. The agreement shall be a repo transaction for the party, selling the financial instruments, and a reverse repo transaction for the party, buying them.

16. (new - SG 17/06; amend. – SG 77/11, amend. – SG, 92/17, in force from 18.11.2018) "Collective investment scheme" shall be:

a) an undertaking within the meaning of § 1, item 10 from the Additional Provisions of the Act on Collective Investment Schemes and Other Collective Investment Undertakings.

b) undertaking for collective investment under Art. 38, Para. 1, p. 5 of the Act on Collective Investment Schemes and Other Collective Investment Undertakings.

17. (new - SG 17/06, repealed – SG, 92/17, in force from 18.11.2018).

18. (new - SG 17/06, repealed – SG, 92/17, in force from 18.11.2018).

19. (new - SG 17/06, amend. - SG, 92/17, in force from 18.11.2018) "Option" shall be a derivative financial instrument, expressing the right of purchasing or sale of a definite number of securities, or other financial instruments at a preliminarily fixed price till the expiry of a set term or a fixed date.

20. (new - SG 17/06, amend. - SG, 92/17, in force from 18.11.2018) "Futures" is a derivative financial instrument, which expresses the right and the obligation for purchasing or sale of a definite number of securities, or other financial instruments at a preliminarily fixed price on a set date.

21. (new - SG 17/06) "Forward currency contract" is a contract for purchase and sale of a definite amount of foreign currency on a set future date at a preliminarily determined exchange rate and conditions for fulfilment.

22. (new - SG 17/06, amend. - SG, 92/17, in force from 18.11.2018) "Investment property" shall be International accountancy standard 40.

23. (new - SG 17/06) "Interest swap transaction" shall be a contract between two parties for exchange of interest payments, based on conditioned principal, for a set period of time.

24. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Member state" is a country – member of the European

Union or another country – party to the European Economic Area Agreement.

25. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Foreign institution" is every organisation in a Member state, regardless of its legal form, which:

- a) is established separately from the employer;
- b) carries out activities, directly connected to the pension insurance;
- c) works on principle of capital coverage;
- d) provides pension compensations, connected to the professional activity on the grounds of agreement or contract, signed individually or collectively:
  - aa) between the employer (employers) and the worker (workers) or the relevant representatives of theirs;
  - bb) with self-employed persons according to the legislation of the Member state at the seat of business of the foreign institution and in compliance with the Bulgarian legislation.

26. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Member state at the seat of business of the foreign institution" is the Member state, where the institution is registered and where its main office is located or where is situated the main office of the institution in the cases, when it is not registered.

27. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Assuming Member state" is a Member state, whose relevant labour and insurance legislation in the field of professional insurance systems shall be applied in the relations between the enterprise insurer and the insured persons.

28. (new - SG 56/06, in force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union) "Biometrical risks" are the risks, related to death or accident, and with regards to professional schemes abroad – also related to the risk of disability.

29. (new – SG 41/09, in force from 02.06.2009) "Infrastructure projects" are the projects for setting up and construction of highway and first class road transport and railway infrastructure, airports, ports, communication systems, production and transfer facilities for utilities and energy resources, water supply, sewage systems and water treatment plants, storage and treatment facilities of domestic and construction waste, and also other projects, the purpose of which is construction of a new and improvement of the existing national, regional or municipal infrastructure in the country or in a Member State.

30. (new – SG 99/09, in force from 01.01.2010) "Seafarer" is a natural person who holds a position under employment legal relation as a member of a ship crew, provided that the ship is entered in the register of the ships of a Member State of the European Union, regardless whether such a person is onshore or on the ship board, whether he/she has a certificate of competence and certificate of supplementary and/or special training, acquired according to the procedure set forth in the ordinance as per Art. 87, para 1 of the Merchant Shipping Code.

31. (new – SG, 92/17, in force from 18.11.2018) "Managing position" is the position:

- a) occupied as a member of a management or control or managing body of a legal person, under an act, statute or other establishment act, as well as procurator of such a person;
- b) including fulfillment of functions of management and/or control of structural unit, with direct relation to the basic activity and the functions of an institution or to the major subject of activity of a company or person, according to their internal structure.

32. (new – SG, 92/17, in force from 18.11.2018, amend. - SG 15/18) "Regulated market" is the one in the meaning of Art. 152, para. 1 and 2 of the Market of Financial Instruments Act.

33. (new – SG, 92/17, in force from 18.11.2018) "Identification code of the legal subject" is international 20 -sign letter-digit code, which allows unique identification of the legal persons, participating on the world financial markets.

34. (new - SG 46/18, in force from 21.05.2018) "Standstill period" is a period of employment

that is required under the rules of the insurance contract, the collective agreement or of the collective contract or required by the persons under Art. 230, para. 3, items 2 and 3 or by the insurer enterprise to start payment of instalments for fund for additional voluntary pension insurance or a fund for additional voluntary pension insurance under professional scheme for the employee concerned or for the person concerned with whom a contract for management and control has been concluded.

(3) (new – SG 19/10) In the sense of Part Two "a" of this Code:

1. (amend. – SG 60/11, in force from 05.08.2011) "Pension schemes of the Union" means the pension schemes introduced with the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union.

2. (amend. – SG 60/11, in force from 05.08.2011) "Institution or body of the European Union" means any institution or body to which the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union apply.

3. "Actuarial equivalent of the retirement pension rights" means the present value of all future pension payments that would be received by the insured person after his retirement and that correspond to his insurance service.

(4) (prev. text of Para 03 – SG 19/10) In the meaning of Part Three of this Code:

1. "repeated violation" is the violation committed within one year from the enactment of the penal provision by which the offender has been punished for a violation of the same kind.

§ 1a. (1) (new - SG 21/12, prev. text of § 1a - SG 15/18) This Code introduces the requirements of:

1. Council Directive 79/7/EEC of 19 December 1978 on the progressive implementation of the principle of equal treatment for men and women in matters of social security

2. Council Directive 86/378/EEC of 24 July 1986 on the implementation of the principle of equal treatment for men and women in occupational social security schemes

3. Council Directive 98/49/EC of 29 June 1998 on safeguarding the supplementary pension rights of employed and self-employed persons moving within the Community

4. Directive 2003/41/EC of the European Parliament and of the Council of 3 June 2003 on the activities and supervision of institutions for occupational retirement provision

5. Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation

6. Directive 2010/78/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 98/26/EC, 2002/87/EC, 2003/6/EC, 2003/41/EC, 2003/71/EC, 2004/39/EC, 2004/109/EC, 2005/60/EC, 2006/48/EC, 2006/49/EC and 2009/65/EC in respect of the powers of the European Supervisory Authority (European Banking Authority), the European Supervisory Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority)

7. (new – SG 58/12, in force from 01.08.2012) Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC (OB, L 180/1 of July 15, 2010).

8. (new - SG 22/15, in force from 24.03.2015) Directive 2013/14/EU of the European Parliament and of the Council of 21 May 2013 amending Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision, Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and Directive 2011/61/EU on Alternative Investment Funds Managers in respect of over-reliance on credit ratings (OJ, L 145/1 of 31 May 2013).

9. (new - SG 46/18, in force from 21.05.2018) Directive 2014/50/EU of the European Parliament and of the Council of 16 April 2014 on minimum requirements for enhancing worker

mobility between Member States by improving the acquisition and preservation of supplementary pension rights (OB, L 128/1 of 30 April 2014).

(2) (amend. - SG 15/18) The Code provides measures for implementation of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

### **Transitional and concluding provisions**

§ 2. (1) The persons whose legal terms of employment have been terminated by December 1999 and have acquired right to pension according to the revoked Pensions Act can, by June 30, 2000, retire under the conditions of the revoked Act if this is more favourable for them.

(2) The monetary compensations for the persons found on leave for temporary incapacitation or for pregnancy and childbirth by January 1, 2000 shall be paid within the amount and the terms according to the revoked Part III of the Labour Code of 1951, if this is more favourable for them.

(3) (Amend., SG 74/02) In calculating the monetary compensations for temporary incapacity or for pregnancy and childbirth of the persons insured according to Art. 4, para 1, item 4 taken into consideration shall be the remuneration received for the respective occupation by December 31, 1999 including.

§ 3. (1) (prev. § 3 - SG 64/00) By December 31, 2003 including, the persons under Art. 6 and 7 of the revoked Pensions Act can retire under the conditions of the provisions of these articles.

(2) (new - SG 64/00) The officers and sergeants under art. 7 of the revoked Pensions Act whose ranks are removed and who acquire a status of civil servants - civilians according to § 89, para 1 of the transitional and concluding provisions of the Act amending and supplementing the Ministry of Interior Act(SG, No 29 of 2000) can retire under the conditions and within the period under para 1. At the time of retirement the practice of these persons shall be considered as practice at officer's and sergeant's occupations.

(3) (new, SG 67/03) The officers and sergeants of the Ministry of Interior who, by December 31, 2003 including, have the necessary time of practice for acquiring a right to pension under art. 7 of the revoked Pensions Act, may retire under the conditions of this article by December 31, 2005. The pension shall be granted from the date of retirement in compliance with the provision of art. 94.

§ 4. (1) (amend., SG 64/00; amend. - SG 33/08; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012; amend. – SG 111/13, in force from 01.01.2014; amend. – SG 107/14, in force from 01.01.2015) By December 31, 2015 including, the persons who have worked for 10 years under the conditions of first category of labour or 15 years under the conditions of second category of labour can retire at the age of 47 and 8 months as regards to women and 52 and 8 months regarding men under first category of labour or 52 and 8 months as regards to women and 57 and 8 months regarding men under second category of labour and provided that they have a total of pensionable service and years of age amounting to 94 regarding women and 100 regarding men.

(2) (amend., SG 64/00; amend. - SG 33/08; amend. – SG 100/10, in force from 01.01.2011;

amend. – SG 107/14, in force from 01.01.2015) By December 31, 2015 including the persons who have 10 years of pensionable service under the conditions of Art. 104, para 3 can retire before accomplishment of the age under Art. 68 on condition that they have a sum of the age and the insured time of service 90 and 52 years of age for the men and 47 years of age for the women.

(3) (new - SG 64/00, amend. SG 38/05; amend. - SG 33/08; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 107/14, in force from 01.01.2015) By December 31, 2015, including, if the employment contract of the persons working under the conditions of art. 104, para 3 is terminated on the grounds of art. 328, para 1, item 1 and 2 of the Labour Code can retire not later than accomplishment of 45 years of age if they have an overall pensionable service and age of 90 and 10 years of pensionable service carried out under the terms of Art. 104, para 3.

(4) (prev. para 3 - SG 64/00, amend. SG 1/02; revoked – SG 100/10, in force from 01.01.2011)

(5) (new – SG 38/05; amend. – SG 106/13, in force from 01.01.2014) In order to consider the right to pension under para 1, the pensionable service of first category of labour shall be added to the pensionable service of second category of labour without conversion.

(6) (new – SG 60/11, in force from 18.06.2011) In those cases where the persons referred to in para 1 request the granting of a pension from the state public insurance, together with the application for granting a pension they shall submit an application requiring their funds in their individual account at the occupational pension fund to be transferred to the fund "Pensions" of the State Public Insurance. The application for transfer shall be submitted through the territorial unit of the National Social Security Institute to the relevant pension insurance company, managing the pension insurance fund simultaneously with the application for granting a pension from the state public insurance. Within 7 days from granting the pension the territorial unit of the National Social Security Institute shall forward the application to the pension insurance company.

(7) (new – SG 60/11, in force from 18.06.2011) In the cases of para 6 the pension insurance company shall deposit the funds in fund "Pensions" of the State Public Insurance within one month from the receipt of the application. In those cases where there are no resources accumulated in the individual account, the pension insurance company shall notify the National Social Security Institute.

§ 4a. (new – SG 100/10, in force from 01.01.2011; declared unconstitutional by Decision of the Constitutional Court No 7 of 2011 - SG 45/11) (1) The resources under the individual accounts available as of January the 1st 2011 of women born in the period from the 1st of January 1955 till the 31st of December 1959 inclusive, and the men born from the 1st of January 1952 till the 31st of December 1959 inclusive, who till the 31st of December 2010 have been insured at an occupational pension fund, shall be transferred to Fund "Pensions" of State Public Insurance.

(2) By the 31st of January 2011 the Financial Supervision Commission shall present to the Minister of Finance, the Manager of the National Social Security Institute and the Executive Director of the National Revenue Agency information about the available resources in the individual accounts of the persons referred to in para 1 by December 31, 2010.

(3) Prior to preparation of the information under para 2 the Manager of the National Social Security Institute shall provide the Financial Supervision Commission and the pension insurance companies with information about the persons under para 1, as follows:

1. the ones employed under the terms of second category of labour by December 31, 2010;
2. the ones who have passed away till December 31, 2010.

(4) The resources from the individual accounts of the persons under para 1, except for the ones who have passed away, shall be transferred to fund "Pensions" of the State Public Insurance till March 31, 2011.

(5) The insurance contributions deposited for supplementary compulsory pension insurance at the occupational pension fund for the persons under para 1 shall be transferred by the National Revenue

Agency to Fund "Pensions" of the State Public Insurance.

(6) In those cases where the persons under para 1 are retired under the terms of Art. 68, they shall have the right to receive from the National Social Security Institute for a single time the resources transferred by the occupational pension fund in which have been provided by December 31, 2010, as well as the insurance contributions deposited after that date for them at the Fund "Pensions" of the State Public Insurance in the amounts fixed in Art. 157, para 1, item 2 within 6 months from submission of the application.

(7) In case any of the persons of para 1 who has not exercised their right to pension as of § 4, passes away, their successors – surviving spouse, ascending or descending relatives shall have the right to receive from the National Social Security Institute for a single time the resources transferred by the occupational pension fund in which has been insured their legator by December 31, 2010, as well as the contributions deposited at the Fund "Pensions" of the State Public Insurance in the amounts fixed in Art. 157, para 1, item 2 within 6 months from submission of the application.

(8) By March 31, 2011 and by the beginning of each calendar year the National Social Security Institute shall set aside the forecast amount of the resources needed for paying off the sums set out in paras 6 and 7.

(9) As of the date of transfer of the resources to the persons under para 1 at Fund "Pensions" of the State Public Insurance their legal relations with the pension insurance company managing the occupational pension fund in which they have been insured shall be terminated ex lege and from the same date their individual accounts shall be closed.

(10) By December 31, 2010 the selection procedures or the ones related to change in the participation and transfer of resources from one occupational pension fund to another of the persons under para 1, which have already been initiated, shall be terminated.

(11) All women, born prior to January 1, 1955, and men born before January 1, 1952, as well as the persons born after December 31, 1959, who have been insured at occupational pension funds, can retire under the terms of § 4 till December 31, 2014 inclusive, provided that the resources in their individual accounts are transferred to Fund "Pensions" of the State Public Insurance.

§ 4b. (new – SG 60/11) (1) (In force from 18.06.2011) The insurance legal relations of the women born in the period from January 1, 1955 to December 31 1959 inclusive and those of the men born in the period from January 1, 1952 to December 31 1959 inclusive, with the pension insurance company managing the occupational pension fund, in which the said persons have been insured by December 31, 2010, which, however, have been terminated on the ground of § 4a, para 9 and the said persons have not retired by June 17, 2011 under the terms of § 4a, paras 1 through 3, shall be restored, commencing as of June 18, 2011, provided that by the abovementioned date the individual accounts of the persons are reopened at the relevant occupational pension funds.

(2) (In force from 18.06.2011, suppl. - SG 98/16, in force from 01.01.2017) The persons referred to in para 1, who retire under the terms of Art. 68, 68a, 69, 69a, shall be entitled to one-time grant of the funds transferred from the occupational pension fund in which they have been insured by December 31, 2010 on the ground of § 4a, para 1 by the National Social Security Institute and the insurance installments deposited for them in "Pensions" Fund of the state public insurance after the said date up to June 17, 2011 inclusive, in the amounts specified in Art. 157, para 1, item 2 within 6 months from submission of the application of reimbursement hereof.

(3) (In force from 18.06.2011, amend. - SG 98/16, in force from 01.01.2017) In case a permanent disability of more than 89.99 % is established, the persons referred to in para 1 shall be entitled to one-time grant of 50 % of the funds transferred from the occupational pension fund in which they have been insured by December 31, 2010 on the ground of § 4a, para 1 by the National Social Security Institute and the insurance installments deposited for them in "Pensions" Fund of the state

public insurance after the said date up to June 17, 2011 inclusive, in the amounts specified in Art. 157, para 1, item 2 within 6 months from submission of the application of reimbursement hereof.

(4) (In force from 18.06.2011) In the event of death of persons referred to in para 1, who have not exercised their right of pension under § 4a, para 1, 2 and 3, their legal successors – surviving spouse, descendants or ascendants, shall be entitled to one-time grant of the funds transferred from the occupational pension fund in which their lagator has been insured by December 31, 2010 on the ground of § 4a, para 1 by the National Social Security Institute, and the insurance installments deposited for the latter in "Pensions" Fund of the state public insurance after the said date up to June 17, 2011 inclusive, in the amounts specified in Art. 157, para 1, item 2 within 6 months from submission of the application of reimbursement hereof. Where the person has no legal successors – surviving spouse, descendants or ascendants, the funds shall be deposited in the state budget.

(5) (In force from 18.06.2011; amend. – SG 107/14, in force from 01.01.2015; amend. - SG 61/15, in force from 01.01.2016) Upon granting a pension under Art. 168 the National Social Security Institute shall deposit the funds transferred on the ground of § 4a, para 1 from the occupational pension fund, in which the said person was insured by December 31, 2010, as well as the insurance instalments deposited in "Pensions" Fund after the aforementioned date up to June 17, 2011 inclusive to the account of the occupational pension fund, which shall grant the pension. The funds shall be transferred within 14 days from notifying the National Social Insurance Institute that a pension was granted by a occupational pension fund.

(6) (In force from 18.06.2011; amend. – SG 107/14, in force from 01.01.2015, revoked - SG 98/16, in force from 01.01.2017)

(7) (In force from 18.06.2011) The procedures for selection or change in a participation in a pension fund, which have been terminated on the ground of § 4a, para 10, shall be restored as of June 18, 2011.

(8) (In force from 05.08.2011) The persons referred to in para 1, who haven't selected an occupational pension fund, shall choose one pursuant to Art. 140, para 3 in three-month term.

(9) (new – SG 99/12, in force from 01.01.2013) The amounts referred to in Para 2, 3 and 4 shall be refunded with an order issued by an official assigned with the management and control of the expenses of the state public insurance at the respective territorial division of the National Insurance Institute. The orders shall be handed over as set out in Art. 110, Para 4 and shall be appealable as set out in Chapter Eight.

§ 5. (revoked - SG 61/15, in force from 01.01.2016)

§ 5a. (new, SG 64/00 - in force from August 1, 2000; amend., SG 112/03; amend. - SG 104/05, in force from 01.01.2006) By December 31, 2006 the insurance instalments for the registered agricultural producers and tobacco producers who practice only agricultural activity shall be for insurable income, which is not less than 25 percent of the minimum monthly extent of the insurable income.

§ 6. (\*) (amend., SG 112/03) (1) (amend. – SG 112/2004; amend. – SG 105/06, in force from 01.01.2007; amend. – SG 99/09, in force from 01.01.2010; amend. – SG 100/10, in force from 01.01.2011; amend. – SG 99/12, in force from 01.01.2013; amend. – SG 106/13, in force from 01.01.2014; suppl. - SG 61/15, in force from 01.01.2016, amend. - SG 102/18, in force from 01.01.2019) The maximal size of the received one or more pensions without the extras to them from January 1, 2019, shall be determined in the amount of BGN 910, and from 1 July 2019, as well as from



1 July of each following calendar year - in the amount of 40 percent of the maximum monthly insurable income, determined by the determined by the act on the budget of the state public insurance for the respective year.

(2) The extra under art. 84 shall be calculated by the amount restricted according to para 1.

(3) Para 1 and 2 shall not apply for the persons who have been president and vice president of the Republic of Bulgaria, Chairman of the National Assembly, Prime Minister or judge in the Constitutional Court.

(4) (revoked – SG 89/12, in force from 01.01.2013)

(5) (amend. - SG 98/16, in force from 01.01.2017) Para 1 and 2 shall not apply for persons receiving pension for military disability on accomplishment of the age under Art. 68, Para. 1.

§ 6a. (new – SG 89/12, in force from 01.01.2013) The pensions for special contributions granted by 31 December 2013 under the revoked Art. 91 shall continue to be paid in the amounts determined at the said date under the previous procedure. A pension for special contributions under the revoked Art. 91 shall not be received together with another type of pension, to transform into an inherited pension and/or be received together with a state pecuniary award under the Act on the Awards of Persons with Special Contributions to the Bulgarian state and nation.

§ 6b.(1) (new – SG 106/13, in force from 01.01.2014, prev. text of § 6b – SG 107/14, in force from 01.01.2015) (1) Entitlement to pension for pensionable service and age under Art. 68, para 1 in the year 2014 shall be acquired upon reaching 60 years of age and 8 months for women and 63 years of age and 8 months for men as well as 34 years and 8 months of pensionable service for women and 37 years and 8 months of pensionable service for men; entitlement to pension under Art. 68, para 3 shall be acquired upon reaching 65 years of age and 8 months for both women and men, who have at least 15 years of actual pensionable service.

(2) (new – SG 107/14, in force from 01.01.2015) Entitlement to pension for pensionable service and age under Art. 68, para 1 and 2 in the year 2015 shall be acquired upon reaching 60 years of age and 8 months for women and 63 years of age and 8 months for men as well as 35 years and 8 months of pensionable service for women and 38 years and 8 months of pensionable service for men; entitlement to pension under Art. 68, para 3 shall be acquired upon reaching 65 years of age and 8 months for both women and men, who have at least 15 years of actual pensionable service.

§ 6c. (New - SG 88/18, in force from 01.01.2019) (1) Personal pensions granted until December 31, 2018, to children not entitled to survivor's pension from a deceased parent under Art. 92 shall continue to be paid in the amounts determined at that date under the order prevailing hitherto.

(2) The personal pension of a child, for whom a monthly allowance has been granted under Art. 8f of the Family Allowances for Children Act, shall be terminated on the grounds of Art. 96, Para. 1, item 4 as of the first day of the month in which the allowance was granted, on the basis of information provided ex-officio to the National Social Security Institute by the Agency for Social Assistance within three days of granting the allowance.

§ 7. (1) The pensions granted by December 31, 1999 including, shall be recalculated according to the provisions of this code without changing the individual coefficient.

(2) The recalculation shall be made if this is more favourable for the pensioner.

(3) (New, SG 35/01) The individual coefficient of the persons whose pensions have been

granted according to the revoked Pensions Act and include insurable income for the period after December 31, 1996 shall be recalculated one time, as the average monthly insurable income of the person for the period after December 31, 1996 shall be referred to the average monthly insurable income for the country for the same period.

(4) (New, SG 35/01) The pensions of the persons under para 3 shall be recalculated ex-officio from July 1, 2001 according to art. 70, para 1 of this code.

§ 7a. (new - SG 69/07) (1) The employment service pensions granted by 31 December 2007 shall be recalculated as from 1 October 2008 by multiplying the personal coefficient of the individual by the average monthly insurable income for the country for 2007 - BGN 398,17, after which the amount of the pension shall be determined according the conditions and order of Art. 70, 75 and 79.

(2) The recalculation of the pensions referred to in Para 1 shall be made, if it benefits the individual.

§ 7b. (New - SG 102/18, in force from 01.01.2019) (1) In 2019, the pensions shall not be updated as per Art. 100.

(2) The size of pensions at 30 June 2019, granted up to 31 December 2018, shall be increased by a percentage of 5,7 from 1 July 2019.

§ 7c. (New - SG 102/18, in force from 01.01.2019) (1) The pensions, granted with a starting date by 31 December 2018, shall be recalculated from 1 July 2019 by a percentage of 1, 2 for each year of pensionable service and the corresponding proportional part of this percentage for the months of the insurance period. Pensions for accidents at work and occupational diseases granted with a starting date until 31 December 2018 shall be recalculated from 1 July 2019 with the relevant coefficient under Art. 79, Para. 1.

(2) The recalculation under Para. 1 shall be done without changing the income, from which the pension is calculated, after which the pension shall be updated, recalculated and indexed in accordance with the legislation in force from the date of its granting until 30 June 2019 inclusive.

(3) Where the recalculated amount of the pension under Para. 1 and the size of the pension under § 7b, Para. 2 are not equal, the pension shall be determined in the higher amount.

§ 8. The pensions and the extras to them received by December 31, 1999, granted pursuant to revoked laws, shall continue to be received.

§ 8a. (new – SG 35/09, in force from 12.05.2009) When acquiring rights under this Code, the time served as regular military service according to the repealed Act on Defence and Armed Forces of the Republic of Bulgaria (prom. SG 112/95, revoked– SG 35/09, in force from 12.05.2009) shall be considered military service.

§ 9. (amend. - SG 102/05, in force from 20.12.2005) (1) The time acknowledged as time of service and time of service at retirement by December 31, 1999 according to the provisions in effect until then shall be acknowledged as insured time of service according to this code.

(2) (revoked – SG 100/10, in force from 01.01.2011)

(3) (revoked – SG 100/10, in force from 01.01.2011)

(4) (revoked – SG 100/10, in force from 01.01.2011)

(5) (revoked – SG 100/10, in force from 01.01.2011)

(6) (amend. – SG 100/10, in force from 01.01.2011) In case of death of the person before the term of the deferred payment plan under the repealed para 4, item 2 expires, the remainder of the instalments due shall not be collected by his/her legal successors. In event of release of hereditary pension, for pensionable service period shall be considered only the time for which insurance instalments have been paid as per the deferred payment plan.

(7) (revoked – SG 100/10, in force from 01.01.2011)

(8) (amend. – SG 105/06, in force from 01.01.2007; revoked – SG 100/10, in force from 01.01.2011)

(9) (suppl. – SG 109/08, in force from 01.01.2009; revoked – SG 100/10, in force from 01.01.2011)

§ 9a. (new - SG 104/05, in force from 01.01.2006) The provision of Art. 20, Para 2 item 9 shall be applied for year 2006.

§ 10. (revoked – SG 1/02).

§ 10a. (New, SG 45/02) Articles 117a and 118a shall also apply regarding pending disputes before the chief of the territorial division of the Social Security Institute and before the courts. The request for stopping the execution by the taxable persons can be filed within 14 days from the enactment of the amendments of the code adopted on April 23, 2002.

§ 11. (revoked – SG 1/02).

§ 11a. (new, SG 112/03, amend. - SG 112/2004) The persons under art. 4, para 1, item 4, with exception of those under art. 127, para 5, having chosen before January 1, 2003 a universal pension fund, shall participate from January 1, 2004 in the fund respectively chosen by them. For these persons the term per Art. 171, Para 1 shall start on the 1st of January 2004.

§ 11b. (new – SG 103/05, in force from 01.01.2006) (1) The ordinance under Art. 122i, Para 2 item 5 and Para 3 shall be adopted within one-year period from entering in force of the Insurance Code. The first examination for obtaining actuary capability shall be conducted within six months from the entering of the ordinance in force.

(2) Within three years term from the entering of the Insurance Code in force, the pension-insurance companies shall be obliged to conclude contracts for actuary servicing with persons with recognized capability of liable actuary.

(3) Till the elapse of the term under Para 2, the persons who have obtained a license of actuary under Ordinance No. 14/2004 of the order and procedure for licensing actuaries of pension-insurance companies and of the managed by them funds for supplementary pension insurance (SG 46/04), may execute the obligations of liable actuary upon performance of actuary servicing of pension-insurance companies and of the managed by them funds for supplementary pension insurance, as well as to be

elected for liable actuaries of pension-insurance companies and of the managed by them funds for supplementary pension insurance.

§ 11c. (new – SG 100/07, in force from 20.12.2007; revoked – SG 20/13)

§ 11d. (new – SG 20/13) (1) (Amend. – SG, 92/17) The prohibition under Art. 246, para 4 shall apply to pension contracts for payment of a lifetime pension by a supplementary voluntary pension insurance fund, concluded after December 20, 2012.

(2) As regards to pension contracts, concluded before December 20, 2012, including the use of sex as an actuarial factor in the calculation of lifetime pension shall be allowed in those cases where the additional voluntary pension insurance company uses reliable and regularly updated public statistical information which shows the vital importance of the sex factor. The parties to the contract under sentence one may agree that the calculation of pensions paid after December 20, 2012 shall be carried out on the basis of biometric tables that will be used for the calculation of pensions under pension contracts concluded after the abovementioned date.

§ 12. This code revokes:

1. Part III of the Labour Code of 1951.
2. The Pensions Act.
3. the act on depriving from the right of pension persons who have carried out fascist activity.

§ 13. (1) Edict No 265 for mutual insurance of the members of cooperative societies is revoked.

(2) The activity of the public insurance of the Council for mutual insurance of the cooperative societies, as well as its assets and liabilities for the takings of insurance instalments shall be transferred to the state public insurance.

(3) The remaining assets and liabilities of the Council for mutual insurance of the members of the cooperative societies shall be transferred to the Central Union of the cooperative societies.

(4) The time during which the persons have insured themselves according to the Edict for the mutual insurance of the members of cooperative societies shall be acknowledged as time of service regardless of its duration.

§ 14. (1) The "Public insurance" Fund Act (prom., SG No 104/1995; amend., No 55 and 123/1997, No 59 and 155 of 1998, No 12/1999) is revoked.

(2) the administering of the real estates under § 5, para 2 of the revoked "Public insurance" Fund Act shall be carried out by the supervisory council of the Social Security Institute.

§ 15. The following amendments are introduced to the Labour Code of 1986:

1. Art. 114 is revoked.
2. Art. 163, para 1 is amended as follows:

"Art. 163. (1) The worker or employee shall be entitled to a leave for pregnancy and childbirth amounting to 135 days for every child of which 45 days before the childbirth."

3. In Art. 333, para 1 and 3 the words "Art. 330, para 2, item 5" are replaced by "Art. 330, para 2, item 6".

§ 16. The following amendments are introduced to the Act on protection in cases of unemployment and encouragement of employment (prom., SG, No 120 of 1997; amend., SG 155 of 1998, No 26, 50, 65, 67, 68 and 84 of 1999):

1. In Art. 20, para 2, first sentence, the words "correlation 7:1" are replaced by "correlation as follows:

- a) for 2000 - 2001 - 80:20;
  - b) for 2002 - 75:25;
  - c) for 2003 - 70:30;
  - d) for 2004 - 65:35;
  - e) for 2005 - 60:40;
  - f) for 2006 - 55:45;
  - g) for 2007 and the next years - 50:50."
2. Art. 109 is revoked.

§ 17. In the Act on voluntary pension insurance (prom., SG No 65 of 199) in Art. 109 the word "fine" is replaced by "proprietary sanction".

§ 18. The following amendments and supplements are introduced to the \ Health Insurance Act (prom., SG 70 of 1998; amend., No 93 and 153 of 1998, No 62, 65, 67 and 69 of 1999):

1. In art. 6:

a) para 2 is amended as follows:

"(2) The National health Insurance Fund consists of central management, regional health insurance funds and their divisions in municipalities with headquarters according to a list approved by the Council of Ministers.";

b) in para 3 the words "the central" are deleted.

2. In art. 23, para 2 the word "temporary" is deleted and the expression "non-budget accounts and funds" is replaced by "credits from other institutions".

3. In art. 29:

a) in para 2 the words "fund "Public Insurance" are replaced by "the budget of the state public insurance";

b) para 4 is created:

"(4) In case that the draft act on the budget of the National Health Insurance Fund is not adopted by the National Assembly until the beginning of the budget year the insurable income shall be collected and the insurance expenses shall be made according to the approved budget for the preceding year and for the support of the National Health Insurance Fund shall be spent monthly up to 1/12 of the expenses provided by the budget for the preceding year."

4. Art. 33 is amended as follows:

"Art. 33. Obligatory insured in the National Health Insurance Fund are:

1. all Bulgarian citizens who are not citizens of other country as well;
2. the Bulgarian citizens who are also citizens of another country and reside permanently on the territory of the Republic of Bulgaria;
3. the foreign citizens or the persons without citizenship permitted to whom is a long-term stay in the Republic of Bulgaria unless otherwise provided by an international contract party to which is the Republic of Bulgaria;
4. the persons with granted refugee status or with granted right of asylum."

5. Art. 39 is amended as follows"

"Art. 39. (1) All persons who, according to this Act, are obliged to pay insurance instalments shall be obliged, from the moment of occurrence of the grounds for health insurance, to present monthly data for the insured persons at the territorial divisions of the Social Security Institute by declarations in a form approved by the Social Security Institute and the National health insurance fund.

(2) The persons insuring members of their families according to this Act shall present data for them in declarations according to a form approved by the Social Security Institute and the National health insurance fund.

(3) In the cases when the persons pay advance instalments according to this Act they shall fill out declaration for the period of advance payment in a form approved by the Social Security Institute and the National health insurance fund.

(4) The foreigners who stay on short-term basis in the Republic of Bulgaria, as well as persons with dual Bulgarian and foreign citizenship who are not insured by the order of this Act shall pay the value of the rendered medical care, unless an international agreement party to which is the Republic of Bulgaria is not in force for them."

6. The following amendments are introduced to Art. 40:

a) para 1 is amended as follows:

"(1) The health insurance instalment of the insured person, determined by the order of Art. 29, para 3 shall be calculated over an income and shall be paid as follows:

1. for a person receiving income from legal terms of employment or official legal terms of employment or terms of employment occurred on the basis of special laws - the taxable income under the Income Taxes on Natural Persons Act:

a) the instalment for the persons working under legal terms of employment shall be made by the employer or the administrative body and by the insured person in correlation:

- 2000 - 2001 - 80:20;
- 2002 - 75:25;
- 2003 - 70:30;
- 2004 - 65:35;
- 2005 - 60:40;
- 2006 - 55:45;
- 2007 and the following years - 50:50;

b) the instalment for the persons working under official legal terms of employment and under legal terms of employment occurring on the grounds of special laws shall be made by the employer and shall be for the account of the republican budget;

c) the employer or the administrative body shall make the instalments simultaneously with the payment of the remuneration; in paying the remuneration the employer or the administrative body shall deduct the instalments due by the insured persons, including the instalments for the members of the family whom they insure;

2. the sole entrepreneurs, the individuals who have established limited liability companies, the partners in trade companies, and the persons registered as freelance practitioners or craft industry shall be insured on a declared monthly income which cannot be less than the double amount of the minimal salary established in the country, and annually - on the taxable income according to the data of the tax declaration:

a) the instalments shall be made by the 10th of the month following the month for which they are made;

b) the monthly insurable income, in view of the calculation of the annual amount of the instalment, shall be obtained as the annual taxable income is divided by the period during which the activity has been practised;

c) for annual taxation the instalments shall be made by the deadline for payment of the taxes

under the Income Tax Act on Natural Persons Act;

3. for the persons who do not declare income under item 2 and work without legal terms of employment under contract with assignor - enterprise or another organisation, the insurance instalments shall be made every month on the taxable income by the enterprise or the organisation, deducting from the paid remuneration of the person; the instalments shall be made by the enterprise or the organisation by the 10th of the month following the month for which they are made; for these persons annual equalisation of the income shall be made, on which the instalments under item 2, letter b and c are due;

4. for the retired - the amount of the pension or the sum of pensions, without the additions to them; the instalments shall be for the account of the republican budget and shall be made by the 10th of the month following the month for which they are made;

5. for the retired who receive pensions under international agreements, entirely for the account of the foreign insurance institute - the double amount of the minimal salary established in the country; the instalments shall be for the account of the person and shall be made by the 10th of the month following the month for which they are made;

6. for persons receiving compensations for temporary labour incapacity due to illness, pregnancy, childbirth or raising child - the size of the compensation; the instalments shall be for the account of the employer or the administrative body and shall be equal to the part of the instalment due by him installed in payment of the compensations; when the person is insured for his account the instalments shall be made by the 10th of the month following the month for which they are made;

7. for the persons receiving income on various grounds, indicated under item 1, 2, 3, 4, 5 and 6 the instalments shall be made on the sum of the insurable income;

8. for the persons receiving compensation for unemployment - the size of the paid compensation; the instalments shall be for the account of fund "Professional qualification and unemployment" and shall be made by the 10th of the month following the month for which they are made;

9. for the persons and members of families with a right of social welfare and for underage persons without parents, who are not subject to insurance on other grounds - the one-time amount of the minimal salary established for the country; the instalments shall be for the account of the municipal budgets and shall be made by the 10th of the month following the month for which they are made;

10. for the conscript military servicemen; for the war veterans and for the military disabled; for disabled during or on occasion of the defence of the country, during natural calamities and accidents and for the affected in fulfilment of their official duty employees of the Ministry of Interior who are not subject to insurance on other grounds; for persons under proceedings for granting refugee status or a right of asylum; for detained or imprisoned; for persons without income, accommodated in homes for children and youth, homes for children in pre-school age and in the homes for social care; for persons of age studying in high schools, without income, until the accomplishment of 26 years - the one-time amount of the minimal salary established in the country; the instalments shall be made by the 10th of the month following the month for which they are made and shall be for the account of the state budget, and shall be made by transfer through the respective administrative body or the municipal budgets;

11. for the persons using unpaid leave, who are not subject to insurance on other grounds - the one-time amount of the minimal salary established in the country; the instalments shall be for the account of the employer and shall be made with the payment of the remuneration by the respective enterprise or other organisation;

12. for the employees of the Bulgarian Orthodox Church and other religions acknowledged by a normative order, who have no legal terms of employment - the one-time amount of the minimal salary established in the country; the instalments shall be made by the 10th of the month following the month for which they are made by the central management of the respective religious institution;

13. for the members of the family who are not insured - 5 percent of the instalment for every insured member of the family; the instalments shall be for the account of the insured person; when the

insured person receives income under item 1, 3 and 6 the instalment shall be deducted by the employer (the enterprise, the administrative body or the organisation with the payment of the remuneration; for the persons working under employment, official legal terms or legal terms occurring on the grounds of special laws the instalments shall be deducted and made by the employer or the administrative body with the payment of the remuneration or the pecuniary compensations; if the person is insured for his account, as well as for the persons insured according to item 3 the instalments shall be made by the 10th date of the month following the one for which they are made;

14. the persons who are not subject to insurance under item 1 - 13 shall be insured on a declared insurable income not less than the double amount of the minimal salary established in the country; the instalments shall be for their account and shall be made by the 10th of the month following the month for which they are made; if these persons are subject to annual taxation annual equalisation of the instalments shall be made by the order of item 2."

b) para 3 is amended as follows:

"(3) For the persons under para 1, item 7 the instalments shall be made on the sum of the insurable income by the order stipulated for the respective type of income but totally on no more than the 10-fold amount of the minimal salary established for the country."

7. Art. 41 is amended as follows:

"Art. 41. (1) The insurance instalments under this Act shall be made to the accounts for collecting the health insurance instalments in the territorial divisions of the Social Security Institute from where they shall obligatorily be transferred daily to the raising account of the central management of the Social Security Institute for health insurance instalments.

(2) The sums of health insurance instalments collected in the Social Security Institute shall be transferred to the raising account of the National health insurance fund (NHIF) by the end of every work day."

8. the following amendments are introduced to Art. 42:

a) para 1 is amended as follows:

"(1) The insurable income on which the instalment is calculated shall be established by the payrolls and other documents for paid remuneration, by the pension cards, the paid patient charts, the paid compensations for unemployed and by the tax declarations according to the Income Taxes on Natural Persons Act."

b) para 3 is amended as follows:

"(3) The persons shall file declarations with the payer of the income or with the respective bodies for the members of their families who are obliged to insure themselves. The annual declaration under the Income Taxes on Natural Persons Act shall contain the health insurance instalments paid during the year and the due sums after the annual equalisation, if any.

(4) (new., SG 110/99) The employers, the tax offices, the municipal authorities, the administrative bodies, the assignors and the self-insured shall be obliged to present to the Social Security Institute and to NHIF the necessary information under Art. 42, para 1 and 3."

c) para 4 is created:

"(4) The employers, the tax offices, the municipal authorities, the administrative bodies, the assignors and the self-insured shall be obliged to present to the Social Security Institute and to NHIF the necessary information under Art. 42, para 1 and 3."

9. Art. 43 is amended as follows:

"Art. 43. The insured under Art. 40, para 1, item 2, 5 and 14 can pay the health insurance instalments for themselves and for the members of the family in advance, for a period chosen by them."

10. Art. 44 is amended as follows:

"Art. 44. The instalments shall be paid:

1. through a bank; 2. by post order;"

11. In art. 45, para 1, item 8, after the word "stomatological" is added "and".



12. In Art. 55, para 6 the words "art. 32" are replaced by "art. 31, para 3".

13. The following amendments are introduced to art. 63:

a) in item 1 the words "the quantity and the types of medical care obtained by the respective person and its price" are deleted;

b) in item 2 the words "information for the activities carried out by him and the sums paid to him" are deleted;

c) item 3 is amended as follows:

"3. register of producers, importers and distributors of medical supplies and pharmacies having concluded contracts with NHIF;"

14. Art. 64 is amended as follows:

"Art. 64. Every insured person shall have the right to receive from NHAF the available information about the medical care and its price received by him during the last 5 years and its price by an order determined by the fund."

15. Art. 69 is amended as follows:

"Art. 69. The Social Security Institute shall be obliged to provide information to the National Institute of Statistics about the insured persons and the made health insurance instalments."

16. In Art. 73, para 1, item 1 is revoked.

17. Created is art. 73a:

"Art. 73a. The financial control over the revenue of NHIF from health insurance instalments and the due interest shall be exercised by the control bodies of the Social Security Institute by the order of the Code for the obligatory public insurance."

18. In art. 77, after the words "the control bodies of NHIF" is added "and of the Social Security Institute".

19. The following amendments are introduced to art. 104:

a) in para 1 the text "50 to 100 BGN for each unpaid instalment" is replaced by "500 to 1000 BGN";

b) in para 2 the text "monthly 200 BGN for each unpaid instalment" is replaced by "2000 BGN".

20. The following amendments are introduced to art. 105:

a) in para 1 the text "the financial inspectors of the Social Security Institute" is replaced by "the control bodies of the Social Security Institute and of NHIF".

b) para 2 is amended as follows:

"(2) The penalty decrees shall be issued by the governor of the Social Security Institute, by the director of NHIF or by the director of the respective regional health insurance fund and by the head of the respective division of the Social Security Institute."

21. Art. 107 is amended as follows:

"Art. 107. The imposition of penalties under Art. 103 and 104 does not exclude the obligation to pay the due instalments together with the legal interest for the period."

22. Art. 109 is amended as follows:

"Art. 109. (1) Insured persons obliged to insure themselves and members of their families, who have not paid more than three due instalments, shall pay the medical care to the executives. When the insured person pays to the Social Security Institute all due instalments his insurance rights shall be restored from the day of payment of the due instalments as the sums paid for the medical services shall not be restored.

(2) Failure to make insurance instalments for reasons beyond the control of the insured persons shall not deprive them of insurance rights. The sum paid for the medical service by the persons in these cases shall be subject to restoring."

23. In Art. 110 the words "six months" are replaced by "one month".

24. The following amendments are introduced to § 1 of the additional provisions:

a) item 3 is amended as follows:

"3. "Members of the family" are the spouse and the children under 18 years of age, and if they continue their education - until 26 years of age, and if they are incapacitated or permanently labour incapacitated - regardless of the age.";

b) item 8 is created:

"8. "Enterprise are all corporate bodies, sole entrepreneurs and companies which are not legal entities carrying out trade activity."

25. The following amendments are introduced to § 19 of the transitional and concluding provisions:

a) the previous text becomes para 1;

b) para 2 is created:

"(2) For the implementation of Art. 39 and Section V of the Council of Ministers Act an ordinance shall be adopted at the proposal of the Social Security Institute and NHIF."

§ 19. In the Corporate Income Taxation Act (prom., SG No 115 of 1997; corr., No 19 of 1998; amend., No 21 and 153 of 1998, No 12, 50, 51, 64, 81 and 103 of 1999) in Art. 23, para 3 items 16 and 17 are created:

"16. the resources in an individual account, opened according to Art. 139, para 2 of the Obligatory Public Insurance Code - by licensed pension insurance companies;

17. the income received from the investment of the resources under item 16."

§ 20. The following amendments and supplements are introduced to the Law for the Ministry of Interior (prom., SG, No 122 of 1997; No 29 of 1998 - Decision No 3 of the Constitutional Court of 1998; amend., No 70, 73 and 153 of 1998, No 30 of 1999):

1. In art. 229:

a) in para 1 item 3 and 4 are revoked;

b) para 3 is amended as follows:

"(3) For the time of paid annual leave the officers and sergeants shall receive their gross remuneration according to its amount by the moment of using the leave."

2. Art. 230 is amended as follows:

"Art. 230. The officers and sergeants shall be entitled to a leave for working in conditions harmful to the health, for fulfilment of public and civil duties; for temporary incapacity due to pregnancy, childbirth and adoption, for raising young child, for breast feeding and feeding young child, for death or serious illness of a parent, for two and more living children, for admission examination in an educational establishment, as well as to unpaid leave under the conditions and by the order and the amounts stipulated by the Labour Code."

§ 21. The following amendments are introduced to the Law for the foreign investments (prom., SG, No 97 of 1997; corr., No 99 of 1997; amend., SG No 29 and 153 of 1998):

1. Art. 30 is amended as follows:

"Art. 30. The workers and employees - foreign citizens shall be insured by the order of the Bulgarian legislation."

2. Art. 32 is amended as follows:

"Art. 32. On all issues of the legal terms of employment with the employer under art. 29 which are not settled by the employment contract shall apply the Bulgarian legislation."

§ 22. (1) (amend. – SG 109/08, in force from 01.01.2009; amend. - SG 61/15, in force from 01.01.2016) The Teachers pension fund established by the revoked Act on "Public insurance" Fund shall continue to exist.

(2) (amend. – SG 15/13, in force from 01.01.2014; revoked - SG 61/15, in force from 01.01.2016)

(3) (revoked - SG 61/15, in force from 01.01.2016)

(4) (amend., SG 114/03; revoked - SG 61/15, in force from 01.01.2016)

(5) (revoked - SG 61/15, in force from 01.01.2016)

(6) (revoked - SG 61/15, in force from 01.01.2016)

(7) (new – SG 112/2004; amend. – SG 109/08, in force from 01.01.2009; revoked - SG 61/15, in force from 01.01.2016)

§ 22a. (new – SG 120/02; amend., SG 114/03, amend. SG 115/04, amend. - SG 105/05, in force from 01.01.2006) The due payments for state public insurance, health insurance, Teacher's pension fund and for supplementary compulsory pension insurance from the budget enterprises in the meaning of §1, item 1 of the additional provision of the Accountancy Law shall be calculated, paid and accounted by the order of the Law of the state budget of the Republic of Bulgaria for 2006.

§ 22b. (new. – SG 105/06, in force from 01.01.2007) Pecuniary indemnifications to persons, having been found on a leave for temporary inability to work, work adjustment, for pregnancy and childbirth and for bringing up a young child as of 1 January 2007, for whom payment of indemnification has started, as well as of non-paid pecuniary indemnifications and supports for periods prior to that date, shall be paid following the previous procedures. In the documents for drawing insurance payments it is obligatory to enter the unified identification code of the insurer or of the self-insured person.

§ 22c. (new. – SG 105/06, in force from 01.01.2007) In case of determination of the insurable income, from which pecuniary indemnifications for temporary inability to work, pregnancy and childbirth, work adjustment and for unemployment are calculated for the period until 31 December 2006, calculated and non-paid remunerations shall not be included.

§ 22d. (new. – SG 105/06, in force from 01.01.2007; amend. – SG 113/07, in force from 01.01.2008) The pensions allocated in 2007, shall be recalculated ex officio in cases where the percent of 1,5 has been applied insurance practice acquired in 2007 under Art. 70. par. 1, second sentence.

§ 22e. (new. – SG 105/06, in force from 01.01.2007; amend. – SG 100/10, in force from 01.01.2011, repealed – SG, 92/17)

§ 22f. (new. – SG 105/06, in force from 01.01.2007) (1) Mothers (adopters), for whom the term of indemnification under Art. 50 has not expired by 1 January 2007, but from its commencement 315 have not expired, shall have right to indemnification for pregnancy and childbirth for the remainder till the end of this period.

(2) Mothers (adopters), for whom the term of indemnification under Art. 50 has expired by 1

January 2007, but as from its commencement 315 days have not expired, shall have right to an indemnification for pregnancy and childbirth for the remainder till the end of this period.

§ 22g. (new – SG 109/08, in force from 01.01.2009) Calculation of the amount of unemployment allowances to persons, whose legal terms of employment have been terminated prior to 1 January 2009, shall be carried out pursuant to the previous procedure.

§ 22h. (new – SG 109/08, in force from 01.01.2009) (1) The maximum amount of the pension(s) received, exclusive of the bonuses thereto shall be 700 BGN in the year 2009, starting from 1 April.

(2) The pensions paid up till 31 March 2009 shall be recalculated according to Art. 70, the percentage being 1,1 for every year of insurance practice, provided that the income on the basis of which the pension is calculated is a constant.

§ 22i. (new – SG 109/08, in force from 01.01.2009) (1) Revision of pensions, the initial date of which is up to 31 March 2009, shall be carried out from 1 July by the percentage calculated according to Art. 100, reduced by 10 points.

(2) The minimum amount of the pension for insurance practice and age shall be increased by the percent under para 1.

(3) The revision under paras 1 and 2 shall be carried out by a decision of the Supervisory Board of the national Social Security Institute.

§ 22j. (new – SG 109/08, in force from 01.01.2009) (1) Mothers (adoptive mothers) for whom the term for the indemnification has expired till 1 January 2009 shall be entitled to pregnancy and childbirth compensation for the remainder of 410 calendar days.

(2) Mothers (adoptive mothers) for whom the term for the indemnification as per Art. 50 has expired till 1 January 2009, however 410 calendar days have not elapsed since the term commenced, 2009 shall be entitled to pregnancy and childbirth compensation for the remainder of this period.

§ 22k. (new – SG 109/08, in force from 01.01.2009) The persons, who have been dismissed in the period from 1 January 2009 to 31 December 2009 and who are entitled to unemployment allowance, shall be paid:

a) 130 percent of the amount of the allowance fixed in Art. 54b, paras 1 and 2 – for the first half of the period during which allowance is due;

b) 70 percent of the amount of the allowance fixed in Art. 54b, paras 1 and 2 – for the second half of the period during which allowance is due.

§ 22l. (new – SG 41/09, in force from 02.06.2009) (1) The persons, whose expert decisions concerning determination of permanently reduced ability to work have been appealed before 1 July 2009, may within 6 months after this date to file an application for allocation of a pension for disability. In these cases the pension shall be granted from the date of acquisition of the right according to the appealed expert decision for permanently reduced ability to work in the amount under Art. 98, par.7. In case the application is filed after the expiration of the 6-month period, the pension shall be granted from

the date of its filing.

(2) To persons, whose expert decisions concerning determination of permanently reduced ability to work have been appealed before 1 July 2009 by the medical commissions of the territorial units of the National Social Security Institute, the pensions for disability shall be granted in the amount under Art. 98, par.7 from the date of acquisition of the right according to the appealed expert decision for permanently reduced ability to work.

§ 22m. (New - SG 99/09, in force from 01.01.2010) As of 1 January 2010, the pensions under Art. 98, Para. 7 and § 22l shall be determined in accordance with Art. 98, Para. 9 and 10.

§ 22n. (new – SG 99/09, in force from 01.01.2010; amend. – SG 98/10, in force from 01.01.2011; amend. – SG 100/11, in force from 01.01.2012) For the period by 31 December 2012:

1. the insurer shall pay to the insured person for the first, second and third day of the temporary working inability 70 percent of the average daily gross salary for the month of occurring of the temporary working inability, and no less than 70 percent of the average daily stipulated salary;

2. (revoked – SG 98/10, in force from 01.01.2011)

3. (revoked – SG 98/10, in force from 01.01.2011)

§ 22o. (new – SG 58/10, in force from 30.07.2010) Till December 31st 2010 the period of assurance coverage for workers and employees working part-time as per § 3b, para 1 of the Transitional provisions of the Labour code shall be considered entirely, regardless of the working hours duration.

(2) Till December 31st 2010 as period of assurance coverage shall be considered the period during which non-paid leave is used as per § 3e, para 1 of the Transitional provisions of the Labour code.

Art. 22p. (new – SG 94/12, in force from 01.07.2013) Art. 159, Para 5 shall apply also to the insurance payments for additional mandatory pension insurance, the term of payment of which has expired before 1 July 2013.

Art. 22q. (new – SG 107/14, in force from 01.01.2015) Pensions under Art. 82, para. 1 granted with an initial date until December 31, 2014 to persons who have become disabled to 18, respectively, to 26 years of age shall continue to be paid up to the fixed deadlines.

§ 22r. (new – SG 107/14, in force from 01.01.2015) Social disability pensions granted with an initial date until December 31, 2014 and paid up on the basis deletion of the second sentence of Art. 101, para 3a shall continue to be received within the set date until the term for which they were awarded expires.

§ 22s. (new - SG 98/15, in force from 01.01.2016) (1) By 30 April 2016 the Minister of Healthcare and the Minister of Labour and Social Policy shall present for public discussion a concept of development of the medical examination and the employment capacity examination as well as amendments of the normative regulation of the disability pensions.

(2) By 30 June 2016 the Council of Ministers shall submit to the National Assembly the respective draft laws related to the amendment and supplementation of the regulation of the disability pensions and other rights of the disabled persons resulting from the concept under Para 1, including measures aimed at optimising the use of the available financial resources for improvement of the life conditions of the disabled persons.

§ 22t. (New - SG 102/18, in force from 01.01.2019) Art. 68, Para. 4 shall also apply to unfinished proceedings on applications submitted by 31 December 2018 for granting a pension under Art. 68, Para. 1 and 2, related to the implementation of an international treaty, to which the Republic of Bulgaria is a party or of the European regulations for the coordination of the social security systems.

§ 22u. (New - SG 102/18, in force from 01.01.2019) The post graduates who have been admitted pursuant to the repealed Ordinance № 34 of 2006 for acquiring a specialty in the healthcare system (prom. SG № 7/2007, amended, SG 89/2007, SG 55 of 2008, SG 12 and 72 of 2010, SG 58 and 60 of 2011, SG 50 of 2012, SG 24 and 73 of 2013, amended by Decision № 15612 of 26 November 2013 of the SAC of the Republic of Bulgaria - SG 59 of 2014, repealed SG 7 of 2015) and whose training contracts for the acquisition of specialty have not been completed by 31 December 2018, shall continue to be insured under the procedure of the repealed Art. 4, Para. 1, item 9 until the completion of their specialization. The insurance contributions shall be due on the received remuneration, but on not less than the minimum monthly salary for the country, and shall be distributed among the insurers and the insured persons according to Art. 6, Para. 3.

§ 23. This code shall enter into force on January 1, 2000 with exception of:

1. Art. 20, para 3 which shall enter into force on January 1, 2001;
2. Art. 64, para 3 and 4 which shall enter into force on January 1, 2004;
3. Art. 127, para 1 which shall enter into force on January 1, 2002;
4. Paragraph 15, item 3 which shall enter into force on the day of its promulgation in the State

Gazette.

The code was adopted by the 38th National Assembly on December 2, 1999 and was affixed with the official seal of the National Assembly.

### **Transitional and concluding provisions** **(SG 64/00)**

§ 39. The cases constituted by December 31, 1999 on claims for establishing labour accidents or professional diseases shall be considered by the courts by the order of the Civil Procedure Code.

§ 42. (amend., SG 1/01) For the year 2001 the term under art. 140, para 3 shall be by January 31, 2001.

§43. Paragraphs 3, 23 and 37 of this Act shall enter into force on August 1, 2000.

§ 44. Paragraph 6, item 3, § 14, 20 and 40 of this Act shall enter into force on January 1, 2001.

**Transitional and concluding provisionsone.**  
**OF THE ACT AMENDING AND SUPPLEMENTING THE CODE FOR THE OBLIGATORY**  
**PUBLIC INSURANCE (SG 1/02)**

§ 83. Art. 110, para 11 shall be applied also for the sums, collected from acts for deficit, compiled before January 1, 2000.

§ 84. (1) The revenues and the liabilities for payment of indemnification and support for unemployment and for over – paid insurance payment to fund "Professional qualification and unemployment" shall be transferred to fund "Unemployment".

(2) The pecuniary indemnification and support for unemployed, released by December 31, 2001, shall be paid in the extent and the terms, provided in the revoked chapter four, section III of the Law for protection at unemployment and encouragement of employment.

(3) (Amend., SG 74/02) The insurance for unemployment for the persons of art. 4, para 1, item 4 shall start from January 1, 2003.

§ 85. (1) (amend., SG 8/03) Till December 31, 2003, including, the pecuniary indemnification for unemployment under chapter IV a shall be released and paid by the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(2) (amend., SG 8/03)Till December 31, 2003 including, the pecuniary indemnification for unemployment shall be released, changed, refused, stopped, terminated, resumed and restored with a decision of the chief of the territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(3) (amend., SG 8/03)Till December 31, 2003 including, the received pecuniary indemnification for unemployment in the cases of art. 54f and art, 54g, para 2, shall be restored on the basis of a decision by the chief of the territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment.

(4) (amend. - SG 30/06, in force from 12.07.2006) The decisions of para 2 and 3 shall be appealed before the court by the order of the Administrative procedure code.

(5) (amend., SG 8/03)The territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment shall be obliged to present every month to the corresponding territorial divisions of the Social Security Institute the whole information about the persons, receiving indemnification for unemployment, and about the extent of the indemnification.

(6) (amend., SG 8/03)The territorial divisions of the Social Security Institute shall make check of the data and transfer to the respective territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment the due sums for payment of the indemnification for unemployment and for post fees.

(7) (amend., SG 8/03)The territorial divisions of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment shall account before the respective territorial divisions of the Social Security Institute about the implemented payments till the end of each month.

(8) (amend., SG 8/03)Till December 31, 2003 the violations of chapter IV a by the persons, receiving indemnification for unemployment, shall be established with acts, compiled by the officials, determined by the executive director of the deputy chairman managing division "Insurance supervision"

of the Commission for financial supervision for employment, and the punitive decrees shall be issued by the chief of the respective territorial division of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment or by an official authorised by him by the order of the Law for the administrative breaches and penalties.

§ 86. The Minister of Labour and Social Policy and the manager of the Social Security Institute shall determine the scope and the order for transfer of the material assets and the human resources of the deputy chairman managing division "Insurance supervision" of the Commission for financial supervision for employment to the Social Security Institute together with the necessary maintenance.

§ 87. (1) (amend., SG 119/02) Till December 31 2004 insurance payments for fund "Pensions" shall be paid for the pecuniary indemnification for the periods of temporary inability to work or pregnancy and childbirth, which are recognised as labour practice. In these cases the insurance payment shall be in extent, equal to the part, which is due by the employer and shall be paid only by him. In the same extent shall be the insurance payment for persons, who are insured only for their account. For the pecuniary indemnification for temporary inability to work or for pregnancy and childbirth payments shall not be made for supplementary compulsory pension insurance.

(2) (amend., SG 119/02) For the time from January 1, 2000 to December 31 2004 as insurance practice shall be considered the periods of temporary inability to work and pregnancy and childbirth, during which pecuniary indemnification has been received and for which are due or have been paid insurance payments of para 1.

(3) (amend., SG 119/02) At giving of pensions, if a period is included from January 1, 2000 to December 31 2004, during which the persons have received pecuniary indemnification for temporary inability to work and for pregnancy and childbirth, shall be taken into account the amount of the indemnification, for which insurance payments have been paid or are due.

§ 88. The sums of orders, issued on the grounds of the repealed §10 and 11, shall be due for the period till December 31, 2001.

§ 89. The pensions of the teachers, paid by the Teachers' pension fund and given till December 31, 2001, shall be recalculated by the order of 5, para 2 of the transitional and concluding provisions of the law.

§ 90. (amend., SG 119/02) Till December 31 2004 the Social Security Institute shall implement the activity of art. 123 for the regular military servicemen, for the civil servants – officers, sergeants and civil persons under the Law for the Ministry of Interior, for the persons of §19 of the transitional and concluding provisions of the Law for amendment and supplement of the Law for execution of the penalties (SG 73/98) and for the employees of the National Intelligence Service.

§ 95. Till March 31, 2002 the releasing and the payment of the pensions can be made against presentation of passports, issued by the order of the revoked Edict No 2772 for the passports and the address registration of the citizens of the Republic of Bulgaria (prom. SG 100/80; amend. SG 11/98).



§ 96. The law shall enter into force on January 1, 2002.

The law was passed by the 39th National Assembly on December 21, 2001 and is affixed with the official seal of the National Assembly.

### **Transitional and concluding provisions**

(PROM. - SG 67/03 AMEND. – SG, 92/17)

§ 108. (1) The licences issued by the State Agency for Insurance Supervision, until the enactment of this Act, to pension insurance companies and to actuaries for carrying out activity of supplementary pension insurance, shall retain their effect.

(2) The issued consents for court registration of the funds for supplementary compulsory pension insurance shall retain their validity until the official issuance of a permit for management of a pension fund.

(3) The started proceedings before the enactment of this Act before the commission or before the deputy chairman of the commission shall continue under the conditions and by the order of this Act.

§ 109. Within three months from the enactment of this Act the deputy chairman of the commission shall issue, ex-officio, to the companies under § 108 permits under art. 145 and 217 for the funds for supplementary pension insurance managed by them, without payment of a fee.

§ 110. (1) The companies under § 108 shall be obliged, within 9 months from the enactment of this Act, to bring their activities in compliance with its provisions and to present the necessary documents to the Commission for Financial Supervision.

(2) Of companies, which do not fulfil the obligations under para 1, shall be withdrawn the licence and proceedings for their wind up shall be instituted by the order of art. 331.

(3) Of companies which, within the period under para 1, do not bring the activity of a fund for supplementary pension insurance managed by them in compliance with this Act, the deputy chairman shall withdraw the official permit issued by the order of § 109.

§ 111. The companies under § 18 shall be obliged, within one year from the enactment of this Act, to bring their capital in compliance with the requirements of art. 121c, para 2 and 4. Until the expiration of this period the own capital (capital base) under art. 121c, para 4 may not be less than 1 500 000 BGN.

§ 112. The size of the reserve under art. 193, para 8 shall be determined in percentage of the assets of the funds of the supplementary compulsory pension insurance managed by them, which may not be less than:

1. for 2003 - 0.2 percent;
2. for 2004 - 0.4 percent;
3. for 2005 - 0.6 percent;
4. for 2006 - 0.8 percent;
5. for 2007 and thereafter - 1 percent.

§ 113. (1) The accounting of the accumulated resources of the individual accounts of the insured persons in shares shall apply from July 1, 2004.

(2) By July 1, 2004 the individual accounts of the insured persons shall be kept and the income shall be allocated in the way and by the order established before the enactment of this Act.

§ 114. (1) From the enactment of this Act the pension insurance companies managing funds for additional voluntary pension insurance shall be obliged to terminate the application of pension schemes where, the forming common accounts provide coverage over the size of the sums accumulated in the individual accounts in granting disability pensions and hereditary pensions.

(2) The pensions granted before the enactment of this Act by the pension schemes under para 1 of the voluntary pension funds shall continue to be paid.

(3) In the cases when, according to the regulations of the pension insurance company, disability pensions or hereditary pension are paid from the common accounts under para 1, the present value of the obligations to the pensioner undertaken before the enactment of this Act shall be allocated to an individual account. The common account shall be reduced by the size of the allocated resources.

(4) The remainder after the deduction of the sums under para 3 shall be allocated to the individual insurance accounts of the insured persons according to the respective scheme, proportionally to the size of the instalments made in the common accounts during the period of insurance, and on condition that their insurance contracts with the respective pension insurance company have not been terminated by the time of enactment of this Act.

(5) In determining the size of the present value of the liabilities to the pensioners under para 3 shall be used the approved by the State Agency for Insurance Supervision, before the enactment of this Act, mortality table, disability table, technical interest rate and other actuary assume for the respective pension scheme.

§ 115. The insurance instalment paid for supplementary compulsory pension insurance in 2002 for the persons under art. 4, para 1, item 4 shall remain in the revenue of the budget of the state public insurance.

§ 116. (Repealed – SG, 92/17)

§ 117. The persons to pensions have been granted for disability by December 31, 1999, and who have no insured practice after this date, may request recalculation of the pension by the order of art. 75 - 77 and art. 79, if this is more favourable for them. The pension shall be determined from the date of the application.

§ 118. The deferred liabilities by December 31, 2003, by the order of art. 116, shall be collected along with the legal interest.

§ 119. (1) By December 31, 2004 the Commission for financial supervision shall adopt the ordinances stipulated by the code.

(2) Until the adoption of the by-laws under para 1 the normative acts for the implementation of the Code for obligatory public insurance and for implementation of the Law of the additional voluntary insurance shall retain their effect, inasmuch as they do not contradict this Act.

§ 120. This Act revokes:

- 1. The Protection in Case of Unemployment and Encouragement of the Employment Act (prom., SG 120/97).
- 2. The Additional Voluntary Pension Insurance Act (prom., SG 65/99).

**Transitional and concluding provisions**

**TO THE STATE PUBLIC INSURANCE ACT FOR 2004 (prom., SG 112/03; suppl., SG 21/04)**

§. 8. (new, SG 21/04) Paragraph 3 shall enter into force on January 1, 2004 with exception of item 12 regarding art. 48a and item 13 regarding art. 52a which shall apply from July 1, 2004.

**Transitional and concluding provisions**

**(SG 38/05, amend. - SG 104/05, in force from 01.01.2006; amend - SG 68/06)**

§ 7. (1) (amend. - SG 68/06) All corporate bodies or individuals, state departments, municipalities or mayors, preserving payment lists of terminated insurers who do not have legal successor shall be obliged in two-years term assumed fro July 1, 2005 to deliver them in the respective territorial division of the Social Security Institute unless in a law is defined other way for preservation.

(2) The mayors who preserve documents for insurance practice and insurable income of persons who have worked in the organizations of § 12 of the transitional and concluding provisions of the Law of ownership and use of farm land shall be obliged to deliver them in the Social Security Institute in the term of para 1.

(3) (new - SG 104/05, in force from 01.01.2006) The insurers which terminate their activity within the period from 1st of July to 31st of December 2005 and have no successor, shall hand in the documents under Art. 5, Para 10 in the respective local unit of the Social Security Institute within the 31st of December 2006.

§ 8. (amend. - SG 104/05, in force from 01.01.2006) Till December 31, 2006 the pecuniary indemnifications for temporary inability to work, pregnancy, childbirth and bringing up a child and the supports under the state public insurance shall be paid through the insurers in the terms for payment of the remunerations of the insured persons.

.....

§ 10. Paragraph 1, item 3 and § 9 shall enter into force on January 1, 2006.

§ 11. Paragraph 6, item 1 shall enter into force from January 1, 2005.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

**(PROM. – SG 102/2005, IN FORCE FROM 20.12.2005)**

§ 2. The law shall enter in force from the day of its promulgation in the State Gazette.

**Transitional and concluding provisions  
TO THE INSURANCE CODE**

(PROM. – SG 103/05, IN FORCE FROM 01.01.2006)

§. 28. The code shall enter in force from 1st of January 2006, except:

1. Art. 45, Para 3, Art. 47, Chapter Four, Art. 71, Para 4, Art. 77, Para 5, Art 80, Para 5, Art. 88, Para 3, Art. 89, Art. 99, Para 4, Art. 112-116, Art. 127, 137, 139 -149, Chapter Seventeen, Chapter Twenty Two, Art. 254, Para 1, item 2, Art. 258, Para 1, items 2, 3 and 5, Art. 282, Para 2 and §. 13, item 2, letter "b", item 3, item 4, letter "c" and item 5 of the transitional and concluding provisions, which shall enter in force from the date of the Pre-accession to the European Union of the Republic of Bulgaria Agreement becomes effective;

2. Art. 254, Para 2 which shall enter in force from the date of the Decision of the European Commission, after the data about conclusion of an agreement between the National Bureau of the Bulgarian Automobile Insurers and the Bureaus of the Automobile Insurers of the Member States in accordance with Art. 2, Para 2 of Directive 72/166/EEC for harmonization of the legislation of the Member States, related with the insuring against civil liability with regard to the usage of motor vehicles and for imposing of obligation to insure against such liability is provided;

3. Art. 266, which shall enter into force from 11th of June 2012;

4. Art. 282, Para 4 and Art. 284 – 286, which shall enter in force from the date of the Decision of the European Commission, after the data about conclusion of an agreement between the National Bureau of the Bulgarian Automobile Insurers and the Bureaus of the Automobile Insurers of the Member States in accordance with Art. 6, Para 3 of Directive 200/26/EU for harmonization of the legislation of the Member States related with the insuring against civil liability with regard to the usage of motor vehicles and for amendment of Directives of the Council 73/239/ EEC and 88/357/EIO is provided. Until the date the Pre-accession to the European Union of the Republic of Bulgaria Agreement enters in force, the National Bureau of the Bulgarian Automobile Insurers shall establish the organization for execution of the functions as a compensatory body.

5. Art. 288, Para 2, which shall enter into force from 11th of June 2007 shall be applied for all filed claims for compensation on which up to this date the managing council of the Guarantee Fund has not pronounced; up to the date on which shall enter in force the Pre-accession to the European Union of the Republic of Bulgaria Agreement, the Guarantee Fund shall pay compensations only if the road-transport accident has occurred on the territory of the Republic of Bulgaria; the Guarantee Fund shall establish the organisation for execution of the functions of Information Centre within a six-months term from the code enters in force.

**Transitional and concluding provisions  
TO THE BUDGET OF THE STATE SOCIAL INSURANCE ACT FOR 2006**

(PROM. – SG 104/05, IN FORCE FROM 01.01.2006)

§ 6. In year 2006, the pensions released up to 31st of December of the previous year shall be indexed from 1st of January by a decision of the Supervision Board of the Social Security Institute in accordance with the amount of the pensions with a percentage relevant to the increase of the insured income for the country and the index of the customers prices during the previous calendar year.

§ 7. The pensions for disability due to a general disease, released up to 1st of January 2006, shall be re-calculated under the procedure of Art. 75, Para 1 and 2 of the Social Insurance Code.  
.....

**Transitional and concluding provisions  
TO THE STATE BUDGET OF THE REPUBLIC OF BULGARIA ACT FOR THE YEAR 2006**

(PROM. – SG 105/05, IN FORCE FROM 01.01.2006)

§ 95. The law shall enter in force from the 1st of January 2006.

**Transitional and concluding provisions  
TO THE TAX-INSURANCE PROCEDURE CODE**

(PROM. – SG 105/05, IN FORCE FROM 01.01.2006)

§ 88. The code shall enter in force from the 1st of January 2006, except Art. 179, Para 3, Art. 183, Para 9, § 10, item 1, letter "e" and item 4, letter "c", § 11, item 1, letter "b" and § 14, item 12 of the transitional and concluding provisions which shall enter in force from the day of promulgation of the code in the State Gazette.

**Transitional and concluding provisions  
To THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 17/2006; AMEND. – SG 41/09, IN FORCE FROM 02.06.2009)

§ 18. In one year term from the entry into force of this Act, no later than the date of the entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union, the pension insurance companies shall be obliged to set their activity in compliance with it and to present the documents necessary at the Commission of Financial Supervision.

§ 19. Till the date of the entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union, the pension insurance company may invest not more than 15 percent of the assets of a fund for supplementary compulsory pension insurance, respectively not more than 20 percent of the of a fund for additional voluntary pension insurance, in securities under art. 176, par. 1, items 10, 11, 12 and 13.

§ 20. The requirement for credit rating under art. 176, par. 1, item 5 shall enter into force from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union and shall be applied to concluded contracts for bank deposits after this date.

§ 21. (amend. – SG 41/09, in force from 02.06.2009) The provision of art. 176, par. 1, item 15

shall be applied from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union.

§ 22. (amend. – SG 41/09, in force from 02.06.2009) The provision of art. 176, par. 1, item 16 concerning the investment properties in a Member State of the European Union, or in another country – party to the European Economic Area Agreement, shall be applied from the date of entry into force of the Agreement for accession of the Republic of Bulgaria to the European Union.

**Transitional and concluding provisions  
TO THE ADMINISTRATIVE PROCEDURE CODE**

(PROM. – SG 30/06, IN FORCE FROM 12.07.2006)

§ 11. In the Code of social insurance (prom. SG 110/99, SG 55/2000 – Decision No 5 of the Constitutional court; amend. SG 64/2000, amend. SG 1, 35 and 40/2001, SG 1, 10, 45, 74, 112, 119, 120/2002, SG 8, 42, 67, 95, 112 and 114/2003, SG 12, 38, 52, 53, 69, 70, 112, 115/2004, SG 38, 39, 76, 102, 103, 104 and 105/2005 and SG 17/06) the following amendments are made:

4. everywhere in the code the words "the Law for the administrative procedures" and "art. 7, par. 2 and art. 11, par. 1 from the Law for the administrative procedures" shall be replaced by "The Administrative procedure code".

§ 142. The code shall enter into force three months after its promulgation in State Gazette, with the exception of:

1. division three, § 2, item 1 and § 2, item 2 – with regards to the repeal of chapter third, section II "Appeal by court order", § 9, item 1 and 2, § 15 and § 44, item 1 and 2, § 51, item 1, § 53, item 1, § 61, item 1, § 66, item 3, § 76, items 1 – 3, § 78, § 79, § 83, item 1, § 84, item 1 and 2, § 89, items 1 - 4 § 101, item 1, § 102, item 1, § 107, § 117, items 1 and 2, § 125, § 128, items 1 and 2, § 132, item 2 and § 136, item 1, as well as § 34, § 35, item 2, § 43, item 2, § 62, item 1, § 66, items 2 and 4, § 97, item 2 and § 125, item 1 – with regard to the replacement of the word "the regional" with the "administrative" and the replacement of the word "the Sofia City Court" with "the Administrative court - Sofia", which shall enter into force from the 1st of May 2007;

2. paragraph 120, which shall enter into force from the 1st of January 2007;

3. paragraph 3, which shall enter into force from the day of the promulgation of the code in State Gazette.

**Transitional and concluding provisions  
TO THE COMMERCIAL REGISTER ACT**

(PROM. – SG 34/06, IN FORCE FROM 01.10.2006)

§ 56. This Act shall enter into force from the 1st of October, with the exception of § 2 and § 3, which shall enter into force from the day of the promulgation of the law in State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 56/06)

§ 65. The pension insurance companies shall set their technical reserves in compliance with the requirements of art. 121c, 213a, 213b and art. 234, para 13 with respect to their activity regarding professional schemes abroad from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union.

.....

§ 67. This Act shall enter into force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, except for § 6, 10 and 11, which shall enter into force three days after its promulgation in State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 57/06, IN FORCE FROM 01.07.2006)

§ 5. The minimum extent of the pension for insurance for insured practice and age under art. 68, para 1 – 3 for the period from the 1st of July to the 31st of December 2006 shall be determined by the Council of Ministers upon a proposal by the Minister of Labour and Social Policy and the Social Security Institute.

§ 6. Pensions for labour activity shall be indexed one time from the 1st of July 2006 by procedure and in a manner determined by the Council of Ministers, in accordance with the implementation of the Law on the budget of state social insurance for the year 2006 and State budget of the Republic of Bulgaria for the financial year 2006 act.

§ 7. The law shall enter into force from the 1st of July 2006.

**Transitional and concluding provisions  
TO THE CREDIT INSTITUTIONS ACT**

(PROM. – SG 59/06)

§ 36. The law shall enter into force from the date of entry into effect of the Treaty of the Accession of the Republic of Bulgaria to the European Union, except for § 35, item 2, which shall enter into force from the date of the promulgation of the law in State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 68/06; corr. – SG 76/06)

§ 8. Regarded as insurance practice under art. 69, para 2 under the previous order shall be the

time till the 30th of April inclusive, during which the persons have been civil servants – officers, sergeants and civilians from the Ministry of Interior and under the Law for execution of the penalties, as well as officers and sergeants from other departments.

.....

§ 10. (corr. – SG 76/06) The insurance practice of the persons, who have worked as mine rescuers up to chief of mine rescue service (point) inclusive till the entry into force of this Act, shall be transformed under the terms of art. 104, para 3.

§ 11. Paragraph 1, item 2 and § 6 shall enter into force from the 1st of May, 2006 and § 1, § 3 and 9 shall enter into force from the 1st of January, 2007.

**Transitional and concluding provisions  
TO INCOME TAXES ON NATURAL PERSONS ACT**

(PROM. - 95/06, IN FORCE FROM 01.01.2007)

§ 11. In the Code of Social Insurance (Prom. SG 110/1999, SG 55/2000 – Decision No 5 of the constitutional court of the Republic of Bulgaria, amend. SG 64/2000; amend. SG 1, 35 and 41/2001, SG 1, 10, 45, 74, 112, 119 and 120/2002, SG 8, 42, 67, 95, 112 and 114/ 2003, SG 12, 38, 52, 69, 70, 112 and 115/2004, SG 38, 39, 76, 102, 103, 104 and 105/2005, SG 17, 30, 34, 56, 57, 59, 68 and 82/ 2006) the words "Law for taxation of the income of physical persons" shall be replaced everywhere by "Law for the taxes on the income of natural persons".

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§ 21. The law shall enter into force from the 1st of January 2007, except for § 10, which shall enter into force from the day of the promulgation of the law in State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - 41/07)

§ 13. Paragraph 4 shall enter into force from 1st January 2008.

**Transitional and concluding provisions  
TO THE MARKETS IN FINANCIAL INSTRUMENTS ACT**

(PROM. - 52/07, IN FORCE FROM 01.11.2007)

§ 27. (1) This Act shall enter into force from 1 November 2007 except § 7, Items 6, 7, 8, 18, 19, 22 – 24, 26 – 28, 30 – 40, Item 44, Letter "b", Items 47, 48, Item 49, Letter "a", Items 50 – 62, 67, 68, 70, 71, 72, 75, 76, 77, Item 83, Letters "a" and "d", Item 85, Letter "a", Items 91, 93, 94, Item 98, Letter "a", Subletter "aa", second sentence regarding the replacement, Subletter "bb", second sentence



regarding the replacement, Subletter "cc", second sentence regarding the replacement and Subletter "cc", second sentence regarding the replacement, Item 99, Letters "d" and "e", Item 101, Letter "b" and Item 102, § 8, § 9, Item 4, Letter "a", Items 5 and 7, § 14, Item 1 and § 19 which shall enter into force three days after the promulgation of the Law in the State Gazette.

(2) Paragraph 7, Item 6, 7 and 8 shall apply by 1 November 2007.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE BUDGET OF THE STATE SOCIAL SECURITY ACT FOR 2007**

(PROM. - SG 77/07, IN FORCE FROM 01.10.2007)

§ 5. This Act shall enter into force from 1 October 2007.

**Concluding provisions**

**TO THE ACT SUPPLEMENTING THE PROTECTION FROM DISCRIMINATION ACT**

(PROM. – SG 100/07, IN FORCE FROM 20.12.2007)

§ 7. This Act shall enter into force from 20 December 2007.

**Transitional and concluding provisions**

**TO THE STATE AGENCY FOR NATIONAL SECURITY ACT**

(PROM. - 109/07, IN FORCE FROM 01.01.2008)

§ 44. This Act shall enter into force from 1 January 2008.

**Transitional and concluding provisions**

**TO THE BUDGET OF THE STATE PUBLIC INSURANCE IN 2008 ACT**

(PROM. - 113/07, IN FORCE FROM 01.01.2008)

§ 8. This Act shall enter into force from 1 January 2008, except for § 5, item 1, item "a", which shall enter into force from 1 January 2007.

**Transitional and concluding provisions**

**TO THE BUDGET OF THE STATE PUBLIC INSURANCE IN 2008 ACT**

(PROM. - 113/07, IN FORCE FROM 01.01.2008)

§ 99. This Act shall enter into force from 1 January 2008.

**Transitional provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 33/08)

§ 2. The persons who have acquired a right of pension under § 4, Para 3 of the Transitional and Concluding Provisions within the period from 1 January 2007 to entry into force of this Act may retire from the date of acquisition of the right, if the application was submitted in a territorial department of the Social Security Institute within 6 months from entry into force of this Act.

**Concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**  
(PROM. – SG 43/08, IN FORCE FROM 01.01.2008)

§ 3. The Law shall enter into force from 1 January 2008.

**Transitional and concluding provisions**  
**TO THE BUDGET OF THE STATE PUBLIC INSURANCE ACT**

(PROM. – SG 109/08, IN FORCE FROM 01.01.2009)

§ 8. The Law shall enter into force from 1 January 2009, except for § 4, items 30 and 39, which shall enter into force from 1 April 2009, and § 4, item 40, which shall enter into force from 1 July 2009.

**Transitional and concluding provisions**  
**TO THE EXECUTION OF PENALTIES AND DETENTION ACT**

(PROM. - SG 25/09, IN FORCE FROM 01.06.2009)

§ 13. The Law shall enter into force from 1 June 2009, except for Art. 43, para 3, which shall enter into force within three years from the adoption of the programme referred to in § 11.

**Transitional and concluding provisions**  
**TO THE ACT ON DEFENCE AND ARMED FORCES OF THE REPUBLIC OF BULGARIA**

(PROM. - SG 35/09, IN FORCE FROM 12.05.2009)

§ 46. The Law shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 41/09, IN FORCE FROM 02.06.2009)

§ 8. The Law shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE HEALTH ACT**

(PROM. - SG 41/09, IN FORCE FROM 02.06.2009)

§ 96. The Law shall enter into force from the date of its promulgation in the State Gazette, except for:

1. paragraphs 3, 5, 6 and 9, which shall enter into force from 1 January 2009;
2. paragraphs 26, 36, 38, 39, 40, 41, 42, 43, 44, 65, 66, 69, 70, 73, 77, 78, 79, 80, 81, 82, 83, 88, 89 and 90, which shall enter into force from 1 July 2009;
3. paragraph 21, which shall enter into force from 1 June 2010.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME TAX ACT**

(PROM. - SG 95/09, IN FORCE FROM 01.01.2010)

§ 51. The Law shall enter into force from January 1st, 2010, except for § 10, 11 and 14, which shall enter into force from January 1st, 2009.

**Transitional and concluding provisions**

**TO THE BUDGET OF THE STATE PUBLIC INSURANCE FOR 2010 ACT**

(PROM. – SG 99/09, IN FORCE FROM 01.01.2010)

§ 12. The Law shall enter into force from January 1st, 2010, except for § 4, which shall enter into force its promulgation in the State Gazette.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING OF THE LABOUR CODE**

(PROM. – SG 103/09, IN FORCE FROM 29.12.2009)

§ 15. The Law shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON DEFENCE AND ARMED FORCES OF THE REPUBLIC OF BULGARIA**

(PROM. – SG 16/10, IN FORCE FROM 26.02.2010)

§ 155. This Act shall enter into force from the date of its promulgation in the State Gazette, except for the provision of § 74, which shall enter into force from 1 March 2010, and § 135, which shall enter into force from 1 January 2011.

**Additional provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 19/10; AMEND. – SG 100/10, IN FORCE FROM 01.01.2011)

§ 12. This Act shall introduce the requirements of Directive 96/71/EC of the European

Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 19/10; AMEND. – SG 100/10, IN FORCE FROM 01.01.2011)

§ 13. This Act shall apply also to applications for transfer of pension rights filed before its entry into force.

§ 14. The Council of Minister shall adopt the Ordinance under Art. 343f within 6 months from the promulgation of this Act in the State Gazette.

.....

§ 17. (amend. – SG 100/10, in force from 01.01.2011) Paragraph 2 shall enter into force 6 months after entry into force of this Act and shall apply also to posted persons subject to the Bulgarian legislation that is applicable pursuant to Regulation (EEC) No 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed persons and their families moving within the Community, and § 16, Item 2 shall enter into force from 28 February 2010.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE FINANCIAL SUPERVISION**  
**COMMISSION ACT**

(PROM. – SG 43/10)

§ 29. (1) The companies for supplementary social insurance shall submit to the Commission a list of the persons up to the real owner possessing directly or indirectly 5 percent or more than 5 percent of the voting rights in the general assembly or of the capital of the respective company within three months from the entry into force of this Act.

(2) To the list under para 1 shall be enclosed a declaration in a form approved by the Commission and containing detailed information about the real owners of the person – subject to supervision. Where necessary, the deputy chairman in charge of "Insurance supervision" directorate may, within a month from receiving the list under para 1, require in writing additional information or papers. In the said request shall also be fixed a term for removing the irregularities and for providing additional information, which may not exceed one month.

(3) In those cases where the requirements set out in para 1 and 2 have not been met or the provided information or papers do not allow identification of real owners:

1. the deputy chairman is entitled to apply the measure under Art. 344, para 1, item 1 of the Code of Social Insurance;

2. if the measure under Art. 344, para 1, item 1 failed to apply, the deputy chairman may apply the one set out in Art. 344, para 1, item 7 of the Code of Social Insurance;

3. if the measure under item 2 and 3 failed to apply, the Commission is entitled to apply the measures set out in Art. 122f, para 2, item 2 of the Code of Social Insurance.

(4) The Commission shall update the information about the ownership of the persons subject to

supervision under para 1 in the public registers as per Art. 30, para 1.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE  
(AMEND. – SG 49/10, IN FORCE FROM 01.07.2010)**

§ 10. The Law shall enter into force from July 2010.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE  
(PROM. - SG 58/10, IN FORCE FROM 30.07.2010)**

§ 25. The Law shall enter into force from the date of its promulgation in the State Gazette, except for:

1. paragraph 21, item 1, which shall enter into force from 1 January 2011;
2. paragraph 11 and § 21, item 4, letter "a", which shall enter into force from 1 January 2012.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE MEDICAL ESTABLISHMENTS  
ACT**

(PROM. – SG 59/10, IN FORCE FROM 01.01.2011)

§ 77. The Law shall enter into force from the date of its promulgation in the State Gazette, except for:

1. (amend. - SG 100/10, in force from 01.01.2011) paragraphs 9 (regarding Art. 19, para 4), 53, which shall enter into force from 1 January 2011;
2. paragraph 75, , which shall enter into force from 30 September 2011;
3. (new. - SG 100/10, in force from 01.01.2011) paragraph 66 (in relation to Art. 98, para 5 and 6), which shall enter into force from January the 1st, 2012.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE MINISTRY OF INTERIOR ACT**

(PROM. - SG 88/10, IN FORCE FROM 09.11.2010)

§ 117. This Act shall enter into force from the date of its promulgation in the State Gazette, except for § 1 – 23, § 25, § 27 – 30, § 40, § 41, § 43 – 55, § 63 – 89 and § 91 – 114, which shall enter into force from 1 January 2011.

**Transitional and concluding provisions**

**TO THE BUDGET OF THE STATE PUBLIC INSURANCE FOR 2011 ACT**

(PROM. - SG 98/10, IN FORCE FROM 01.01.2011)

§ 10. This Act shall enter into force from 1 January 2011.

## **ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 100/10, IN FORCE FROM 01.01.2011)

§ 50. In the rest of the texts of the code the words "Art. 68, paras 1 - 3" and " Art. 68, paras 1 and 2" shall be replaced by "Art. 68, para 1".

.....

### **Transitional and concluding provisions**

#### **TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 100/10, IN FORCE FROM 01.01.2011; AMEND. – SG 60/11, IN FORCE FROM 05.08.2011; AMEND. – SG 100/11, IN FORCE FROM 01.01.2012; AMEND. – SG 99/12, IN FORCE FROM 01.01.2013)

§ 58. The pensionable service under the terms of Art. 70, para 1, sentences two and three till December 31, 2010 shall be taken into account when calculating the amount of the pension after that date.

§ 59. (1) The employment legal relations of indefinite duration with the chiefs of the territorial units of the National Social Security Institute pending by the time of entry into force of this Act, which have been initiated before December 31, 2009, shall be retained until a new contest is conducted for the respective position.

(2) The contests mentioned in para 1 shall be announced within two months from the entry into force of this Act.

§ 60. Cash benefits for temporary loss of working capacity, pregnancy and childbirth, unemployment and vocational rehabilitation, granted till December 31, 2010 as a start date, shall still be paid off in their fixed amount until their term expires.

§ 61. Cash benefits, granted till December 31, 2010 as a start date under the repealed Art. 54i, shall still be paid off until their term expires.

§ 62. (1) The pensionable service of the authorized persons under Art. 104, paras 7 and 8 shall be calculated on the grounds of certificates of pensionable service, including such for participation in missions and operations outside the territory of the state, which have been carried out or initiated by May 12, 2009, provided that the said papers are issued pursuant to the Ordinance for setting the Criteria for the Degree of Hazard in the Event of Participation of Missions and Operations Outside the Territory of the State (SG 80/10) under § 45, para 1 of the Transitional and Final provisions of the Law on Defence and the Armed Forces of the Republic of Bulgaria.

(2) The granted pensions for pensionable service and old age of the persons referred to in Art. 69, who have taken part in missions and operations outside the territory of the state, shall be recalculated as of May 12, 2009, in the event that within a year from the entry into force of this Act they submit an application for certificate of pensionable service at the respective territorial directorate of the National

Social Security Institute.

§ 63. (amend. – SG 60/11, in force from 05.08.2011; revoked – SG 99/12, in force from 01.01.2013)

§ 64. (revoked – SG 100/11, in force from 01.01.2012)

§ 65. (amend. – SG 60/11, in force from 05.08.2011) The Law shall enter into force from January 1, 2011, except for the following:

1. paragraphs 32, 33, 36, which shall enter into force from January 1, 2013.
2. Paragraph 51, which shall enter into force from January 1, 2012.

### **Transitional and concluding provisions**

## **TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 60/11, IN FORCE FROM 05.08.2011)

§ 21. (1) No interest shall be due on established obligations of insured or self-insured persons in relation to pecuniary compensations received for past periods till the entry into force of the present Law in violation of Art. 53, para 4, where the child has attended a kindergarten, or a nursery.

(2) Para 1 shall apply, provided that:

1. the persons fully repay the principal of their obligation within 6 months from the entry into force of this Act, if the obligation is established by an effective order by the date of entry into force of the present Law, including in those cases where the said obligation has been deferred pursuant to Art. 116;

2. the persons for whom the order for establishing the obligation has entered into force after the date of entry into force of this Act, repay their obligation within 6 months from the entry into force of the order.

(3) The territorial units of the National Social Security shall, within one month from the entry into force of the present Law, notify the persons referred to in para 1, whose obligations have been deferred according to Art. 116, provided that the said persons may request a change in the terms for repayment of their liabilities.

(4) The National Social Security shall restore the interest paid by the insured or self-insured persons on obligations repaid till the entry into force of this Act.

(5) The request for restoration of the interest under para 4 shall be submitted at the relevant territorial unit of the National Social Security Institute, within a year from the entry into force of the present Law. The cash amount shall be restored within two months from submission of the request to a bank account specified by the person.

§ 22. (1) Those who have submitted applications for pension on the ground of 4a, para 1 and § 4, paras 1, 2 and 3 of the Transitional and Final provisions shall, as of June 18, 2011 till the entry into force of the present Law, also submit an application requesting the funds from their individual accounts at the occupational pension fund to be transferred to "Pensions" Fund at the state public insurance.

(2) The application under para 1 shall be submitted, within three months from the entry into

force of the present Law, at the relevant territorial unit of the National Social Security Institute, in which has been submitted the application for granting the pension.

§ 23. The relations between the National Social Security Institute and pension insurance companies related to transfer of the funds of the persons referred to in § 4a, para 1 and § 4b, para 1 of the Transitional and Final provisions shall be regulated by an agreement between the National Social Security Institute and pension insurance companies in coordination with the National Revenue Agency. The said agreement shall be concluded within one-month term from the promulgation of this Act in the State Gazette.

.....

§ 25. The Law shall enter into force from the date of its promulgation in the State Gazette, except for the following:

1. paragraph 2, which shall enter into force from the first date of the month, following the month in which the present Law enters into force;
2. paragraph 19, items 1 and 2 regarding § 4b, paras 1 through 7, which shall enter into force from June 18, 2011.

**Transitional and concluding provisions  
TO THE LAW AMENDING AND SUPPLEMENTING THE ACT ON THE BUDGET OF  
STATE PUBLIC INSURANCE FOR THE YEAR 2012**

(PROM. - SG 100/11, IN FORCE FROM 01.01.2012)

§ 11. Financial compensations for provisional inability to work, pregnancy and delivery, unemployment and vocational rehabilitation, granted as of December 31, 2011 shall continue to be paid in the amount specified hitherto till their term expires.

.....

§ 13. The Law shall enter into force from January 1, 2012 , except for § 8, item 2, , which shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE CIVIL SERVANTS ACT**

(PROM. - SG 38/12, IN FORCE FROM 01.07.2012)

§ 84. (In force from 18.05.2012) Within one month from the promulgation of the Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Administration Positions in compliance with this Act;
2. the competent authorities shall bring the statutory rules of the respective administration in compliance with this Act.



§ 85. (1) Legal relations with the persons from administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act and the Financial Supervision Commission Act, Act on Access to and Disclosure of the Documents and Announcing Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army, Confiscation by the State of Proceeds of Crime, Act on Prevention and Findings of Conflict of Interests, Code of Social Insurance, Health Insurance Act, Agricultural Producers Assistance Act and the Roads Act shall be regulated under the terms and following the procedure of § 36 of the Transitional and Final provisions of the Act Amending and Supplementing the State Servant Act (SG 24/06).

(2) By the act appointing the civil servant shall be:

1. awarded the minimum rank for the position occupied defined in the Classifier of Administration Positions, unless the civil servant has a higher rank;
2. determined the individual basic monthly salary.

(3) The funds additionally needed for insurance installments of the persons referred to in para 2 shall be provided within the costs for salaries, remuneration and insurance installments of the budgets of the respective budget credit spending units.

(4) The Council of Ministers shall carry out the changes required in the extra-budgetary account of State Fund Agriculture according to this Act.

(5) The managing bodies of the National Insurance Institute and the National Health Insurance Fund shall carry out the changes requires according to this Act in the respective budgets.

(6) Unused leaves under employment relationships shall be retained and may not be compensated by cash benefits.

§ 86. (1) Within one month from entry into force of this Act the individual basic monthly salary of the employee shall be determined in such a manner as to ensure that the said salary, reduced by the tax due and the mandatory insurance installments at the expense of the insured person, if they were due, is not lower than the gross monthly salary received hitherto, reduced by the mandatory insurance installments due at the expense of the insured person, if they were due, as well as by the tax due.

(2) The gross salary under para 1 shall include:

1. the basic monthly salary or basic monthly remuneration;
2. bonuses paid regularly along with the basic monthly salary or basic monthly remuneration due, which are related solely to the hours worked off.

§ 87. The Act shall enter into force from July 1, 2012 except for § 84, which shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE HEALTH ACT**

(PROM. - SG 40/12 )

§ 18. Within 7 days from the entry into force of this Act the medical establishments at which there are TELKs carrying out certification (re-certification) of children of up to 16 years of age shall ensure that a pediatrics specialist is one of the members of TELK.

.....

§ 22. The provisions of § 1, 2, 3, 12, 13, 14, 15 and 21 shall enter into force from June 1, 2012.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE MINISTRY OF INTERIOR ACT**

(PROM. - SG 44/12, IN FORCE FROM 01.07.2012)

§ 54. (1) The National Police Chief Directorate established by this Act shall be the legal successor of the assets, liabilities, rights and obligations of Chief directorate "Criminal Police" and of Chief directorate "Security Police".

(2) Legal representation in pending disputes of Chief directorate "Criminal Police" and Chief directorate "Security Police" shall be performed by the director of National Police Chief Directorate

§ 55. By the time of entry into force of this Act all official and employment legal relationships of civil servants and employees at Chief directorate "Criminal Police" and of Chief directorate "Security Police" shall be transformed into official and employment relationships of civil servants and employees at National Police Chief Directorate.

§ 56. Secondary legislation acts issued prior to the entry into force of this Act shall be implemented till the respective new statutory instruments are issued, inasmuch as they do not contradict the present Act.

.....

§ 57. Length of service, acquired under the Civil Servant Act and the Labour Code under § 64 of the Transitional and Final provisions of the Ministry of Interior Act (SG 93/09) shall be deemed as employment with one and the same employer, respectively appointment authority.

.....

§ 70. The Act shall enter into force as of July 1, 2012.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE PROTECTION FROM  
DISCRIMINATION ACT**

(PROM. - SG 58/12, IN FORCE FROM 01.08.2012)

§ 7. The Act shall enter into force as of August 1, 2012.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 81/12, IN FORCE FROM 01.09.2012)

§ 6. The Act shall enter into force as of September 1, 2012.

**Transitional and concluding provisions**  
**TO THE LAW ON THE AWARDS OF PERSONS WITH SPECIAL CONTRIBUTIONS TO**  
**THE BULGARIAN STATE AND NATION**

(PROM. – SG 89/12, IN FORCE FROM 01.01.2013)

§ 2. The procedures under the proposals for granting of pensions for special contributions to the state and nation set out in the revoked Art. 91 of the Labour Code, made before entry into force of this Act, shall be continued under this Act.

.....

§ 6. This Act shall enter into force from 1 January 2013.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE VALUE ADDED TAX ACT**

(PROM. – SG 94/12, IN FORCE FROM 01.01.2013)

§ 65. This Act shall enter into force from 1 January 2013, except for § 61, Item 2, Letter "a", Items 3, 4 and 6, Item 7 – regarding Art. 86, Para 7, and Item 9 and § 64, which shall enter into force on the day of promulgation of this Act in the State Gazette, § 61, Item 5, Item 6 – regarding Art. 86, Para 5 and 6, and Item 8, which shall enter into force from 1 April 2013, and § 47, Item 9, Letter "c" - regarding Art. 159, Para 5, and Item 11, which shall enter into force from 1 July 2013.

**Transitional and concluding provisions**  
**TO THE LAW ON AMENDMENT AND SUPPLEMENTATION OF THE ACT ON THE**  
**BUDGET OF THE STATE PUBLIC INSURANCE FOR 2013**

(PROM. - SG 99/12, IN FORCE FROM 01.01.2013)

§ 8. The Law shall enter into force from 1 January 2013.

**Transitional and concluding provisions**  
**TO THE ACT ON THE PUBLIC FINANCES**

(PROM. - SG 15/13, IN FORCE FROM 01.01.2014)

§ 123. The Act shall enter into force from January 1, 2014 except for § 115, which shall enter into force from January 1, 2013 and § 18, § 114, § 120, § 121 and § 122, which shall enter into force from February 1, 2013.

**Concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE INSURANCE CODE**  
(PROM. - SG 20/13)

§ 4. Within a month from the entry into force of this Act the pension insurance companies

offering payment of lifetime pensions from an additional voluntary pension insurance fund on the basis of biometric tables different for the two sexes, shall submit for approval the tables that will be used for calculation of pensions under pension contracts concluded after December 20, 2012.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE SPECIAL INTELLIGENCE**  
**DEVICES ACT**

(PROM. - SG 70/13, IN FORCE FROM 09.08.2013 )

§ 42. (amend. – SG 111/13, in force from 01.01.2014) The Act shall enter into force from the date of its promulgation in the State Gazette, except for § 1 and 15, which shall enter into force as of January 1, 2015.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE**  
**CODE**

(PROM. - SG 98/13, IN FORCE FROM 01.12.2013; SUPPL. - SG 104/13, IN FORCE FROM 01.12.2013)

§ 10. (Suppl. - SG 104/13, in force from 01.12.2013) The Act shall enter into force from December 1, 2013, except for § 7, items 1, 2, 3, 4, 5, item 6 – as regards to the second part of Annex No 2 to Chapter nineteen, "a" and item 7, which shall enter into force as of January 1, 2014.

**Concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE**  
(PROM. - SG 104/13, IN FORCE FROM 01.01.2014)

§ 3. The Act shall enter into force from January 1st 2014.

**Transitional and concluding provisions**  
**TO THE ACT ON THE BUDGET OF STATE SOCIAL SECURITY FOR THE YEAR 2014**

(PROM. – SG 106/13, IN FORCE FROM 01.01.2014)

§ 1. Upon proposal by the Governor of the National Social Security Institute (NSSI) the Supervisory Board shall approve the necessary changes by separate paragraphs of the expenses, without exceeding the total amount thereof approved under this Act, provided that the above does not concern the amounts for the account of the state budget, as well as expenses made by NSSI by virtue of other regulations and projects apart from the Code of Social Insurance, financed with transfers which are not provided for in this Act, and which do not lead to deterioration of the balance of the state social insurance. The said expenses are accounted for in the NSSI budget and can exceed the budget expenditures of NSSI.

§ 2. General reserve of the Funds under Art. 18 of the Social Insurance Code shall not be

deducted for the year 2014.

§ 3. The activity related to prevention and rehabilitation for the year 2014 shall be carried out at:

1. companies in which the sole shareholder is the National Social Security Institute;
2. Specialized Rehabilitation Hospitals authorized to carry out medical activities related to rehabilitation by the Minister of Health, as well as medical establishments for hospital care covered under Art. 5, para. 1 of the Medical Establishments Act that engage in rehabilitation activities.

.....

§ 7. Pensions and allowances for teachers paid by the Teachers' Pension Fund granted with effective date by 31 December 2013 shall be recalculated by January 1, 2014 pursuant to § 5 para. 2 and 3 of the Transitional and Final Provisions of the Code of Social Insurance.

§ 8. The implementation of the Act is assigned to the National Social Security Institute.

§ 9. The Act shall enter into force from January 1, 2014, except for § 6, which shall enter into force from December 1, 2014.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE TAX-INSURANCE PROCEDURE**  
**CODE**

(PROM. – SG 109/13, IN FORCE FROM 01.01.2014)

§ 24. The Act shall enter into force from January 1, 2014, except for § 23, which shall enter into force after a ruling from the European Commission to extend the duration of existing authorized aid scheme.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE OPERATION OF**  
**COLLECTIVE INVESTMENT SCHEMES AND OTHER COLLECTIVE INVESTMENT**  
**UNDERTAKINGS**

(PROM. – SG 109/13, IN FORCE FROM 20.12.2013)

§ 95. The Act shall enter into force from the date of its promulgation in the State Gazette, except for § 88, 89 and 90, which shall enter into force from January 1, 2014.

**Concluding provisions**  
**TO THE ACT AMENDING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 111/13, IN FORCE FROM 01.01.2014)

§ 3. The Act shall enter into force from January 1, 2014.

**Concluding provisions**  
**TO THE ACT AMENDING THE CODE OF SOCIAL INSURANCE**

(PROM. – SG 1/14, IN FORCE FROM 01.01.2014)

§ 9. A person insured for general disease and maternity who has adopted a child from 2 - to 5

years of age before January 1, 2014, shall be entitled to financial compensation under the terms of Art. 53a for the remainder up to 365 days from the date of delivery of the child for adoption.

**Concluding provisions**

**TO THE ACT AMENDING THE TAX-INSURANCE PROCEDURE CODE**  
(PROM. – SG 18/14, IN FORCE FROM 04.03.2014)

§ 7. The Act shall enter into force from the date of its promulgation in the State Gazette.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE**

(PROM. – SG 27/14)

§ 14. Paragraph 13 shall enter into force as of January 1, 2014.

**Transitional and concluding provisions**

**TO THE ACT ON THE BUDGET OF STATE PUBLIC INSURANCE FOR THE YEAR 2015**

(PROM. – SG 107/14, in force from 01.01.2015)

§ 10. The Act shall enter into force as of January 1, 2015, except for § 3, item 5, letter "b", items 18 and 31, which shall enter into force from January 1, 2016.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON THE OPERATION OF  
COLLECTIVE INVESTMENT SCHEMES AND OTHER COLLECTIVE INVESTMENT  
UNDERTAKINGS**

(PROM. - SG 22/2015, in force from 24.03.2015)

§ 7.(1) Within one month from the entry into force of this Act, the deputy chairman of the Financial Supervision Commission in charge of "Insurance Control", shall determine by a decision the minimum content of investment policy under Art. 175a of the Code of Social Insurance.

(2) Within one month from the entry into force of the decision under para 1 pension insurance companies shall provide the Financial Supervision Commission with the rules for monitoring, measuring and managing risk and investment policies of supplementary pension insurance funds managed by them.

§ 8. The Act shall enter into force from the date of its promulgation in the State Gazette.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE COMMERCIAL REGISTER ACT**

(PROM. - SG 22/15, in force from 01.01.2017)

§ 16. The Act shall enter into force from the 1st of January 2017, except for § 3, § 6, т. 1, 3 - 6, § 8, 14 and 15, which shall enter into force from the date of its promulgation in the State Gazette.

**Concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE**  
(PROM. - SG 54/15, in force from 17.07.2015)

§ 30. The Act shall enter into force from the day of its promulgation in the State Gazette.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 61/15, IN FORCE FROM 01.01.2016, AMEND. AND SUPPL. – SG, 99/17, IN FORCE FROM 01.01.2018, AMEND. - SG 102/18, IN FORCE FROM 01.01.2019)

§ 47. (In force from 15.08.2015) (1) The pensionable service and age pensions of the persons under Art. 4, Para 1, Items 1-4 and 6 and Art. 4a, the provision of which is terminated after the acquisition of pension rights, but not later than 31 December 2014, shall be granted from the date of termination of the insurance, if the application with the necessary documents is submitted within 6 months from that date. If the application is submitted after the expiry of 6 months from the termination of insurance, the pensions shall be granted from the date of application.

(2) The persons who have been granted a pensionable service and age pension under Art. 94, Para 1, on the basis of applications filed before 31 December 2014 may request that their pensions are granted as set out in Para 1 within a term of 6 months from the promulgation of the present Act.

(3) The teachers' pensions granted under § 5, Para 2, of the transitional and concluding provisions with initial date before 31 December 2015 shall be paid in reduced amounts until the person reaches the age of acquiring a right to a pension under Art. 68, Para 1.

§ 48. (In force from 15.08.2015) The insured persons born after 31 December 1959, whose initial insurance duties have arisen after 31 December 2014 and before entry into force of the present Act, and who have not made a choice under Art. 137, Para 3, shall be allocated ex officio to the registered universal pension funds in a manner and order determined by the National Revenue Agency and the commission under Art. 120b, Para 2.

§ 49. (In force from 15.08.2015) The persons under Art. 69 with the necessary pensionable service for acquiring a right to a pension may retire without dismissal of service, discharge or termination of the legal relations.

§ 50. (In force from 15.08.2015) The persons under Art. 69 who have obtained the necessary pensionable service for a right to a pension before 31 December 2015 may retire irrespective of their age before 31 December 2018.

§ 51. (In force from 15.08.2015) (1) The persons that have been granted a pension from the state social insurance with initial date before 31 December 2015 and with a reduced individual coefficient in accordance with the revoked Para 3 of Art. 127, may request its recalculation, provided that by 31 December 2016 they choose to transfer their funds from their individual shares in a universal pension fund to the "Pensions" Fund of the state social insurance. The funds accumulated in the individual share of the insured person shall be transferred from the corresponding universal pension fund to the "Pensions" Fund, or the "Pensions of the persons under Art. 69" Fund of the state social insurance within three months from the date of the choice. In such case the pension shall be recalculated as from the first day of the month following the month, in which the choice has been made. The insurance payments for additional mandatory pension insurance after the recalculation of the pension shall be transferred to the "Pensions" Fund.

(2) The persons who on 1 January 2016 have less than 5 years short of the age under Art. 68, Para 1, may, by 31 December 2016, exercise their right to a choice under Art. 4b only once by changing their insurance from a universal pension fund to the "Pensions" Fund or the "Pensions under Art. 69" Fund of the state social insurance.

§ 52. The persons that were granted a pension by an order, which has entered in effect before 31 December 2015, may request, before 31 December 2016, the recalculation of their pension on the basis of the insurance income for another three-year period preceding 1 January 1997.

§ 53. (Amend. and suppl. - SG 99/17, in force from 01.01.2018, repealed - SG 102/18, in force from 01.01.2019)

.....  
§ 59. Within 6 months from the entry into force of the present Act, the heads of departments, which employees are subject to Art. 69, shall make before the Council of Ministers a reasoned proposal for changing the legislation on the differentiation of the positions under the corresponding acts in accordance with the nature and the specific labour conditions, with a view to availing the persons occupying them of early retirement rights.

§ 60. This Act shall enter into force on 1 January 2016 except for:

1. paragraph 3 regarding Art. 4a, Para 3, Item 6, § 4, § 7 regarding Art. 6, Para 3, Item 10, § 8, Item 2, regarding the amendment of Art. 9, Para 6, § 16, § 25, Items 5 - 9, § 31 - 36, § 47 - 51, § 54, § 55, § 56, Item 2, regarding the amendment to Art. 40, Para 3, Item 9, which shall enter into force three days after its promulgation in the State Gazette;

2. paragraph 45, which shall enter into force 12 months after its promulgation in the State Gazette;

3. paragraph 57, which shall enter into force on 1 April 2015;

4. paragraph 58, which shall enter into force on 17 July 2015.

### **Transitional and concluding provisions TO THE STATE INTELLIGENCE AGENCY ACT**

(PROM. - SG 79/15, IN FORCE FROM 01.01.2016)

§ 18. (1) By December 31, 2015, civil servants of the State Intelligence Agency shall be entitled to pension, regardless of their age, provided that they have 27 years of total pensionable service, two thirds of which are actually served under the State Intelligence Agency Act or are military service or served under the Acts under Art. 69, para 1, 2 and 3 of the Code of Social Insurance.

(2) By December 31, 2015 officers and sergeants of the National Security Service shall be entitled to pension, regardless of their age, provided that they have 27 years of total pensionable service, two thirds of which are actually served under the National Security Service Act, or are military service or under the Acts mentioned in Art. 69, para 1, 2 and 3 of the Code of Social Insurance.

(3) Persons referred to in para 1 and 2, who shall, by December 31, 2015, have the required pensionable service to be entitled to pension, shall be able to retire, regardless of their age, before December 31.

§ 31. The Act shall enter into force of November 1, 2015, except for § 17, item 4 regarding Art. 69, which shall enter into force as of January 1, 2016.

### **Transitional and concluding provisions TO THE ACCOUNTANCY ACT**

(PROM. SG 95/15, IN FORCE FROM 01.01.2016)

§ 29. This Act shall enter into force from 1<sup>st</sup> of January 2016, with the exception of Art. 48 – 52, which shall enter into force from 1<sup>st</sup> of January 2017.

### **Transitional and concluding provisions TO THE ACT ON THE BUDGET OF STATE PUBLIC INSURANCE FOR THE YEAR 2016**



(PROM. – SG 98/15, in force from 01.01.2016)

§ 2. For 2016 shall not be provided a general reserve for the funds under Art. 18 of the Code of Social Insurance.

.....  
§ 7. This Act shall enter into force from 1 January 2016 except for § 3, Items 15, 16 and 20, which shall enter into force from 15 August 2015.

**Transitional and concluding provisions  
TO THE INSURANCE CODE**

(PROM. – SG 102/15, in force from 01.01.2016)

§ 50. (1) This Code shall enter into force from 1 January 2016, except Art. 574, Para 8, which shall enter into force from 1 July 2016.

(2) By 1 July 2016 the exchange of data under Art. 574, Para 3 - 7 shall be carried out on weekly basis, where on every first day of the week:

1. the Ministry of Interior and the Executive Agency “Automobile Administration” shall provide to the Information Centre the up-to-date information under Art. 574, Para 3 and 4;
2. The Information Centre shall provide to the Ministry of Interior and the Executive Agency “Automobile Administration” the up-to-date information under Art. 574, Para 5 - 7.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE JUDICIARY SYSTEM ACT**

(PROM. - SG 62 of 2016, IN FORCE FROM 09.08.2016)

§ 229. The Act shall enter into force on the day of its promulgation in the State Gazette, except for:

1. paragraphs 86, 126, 202, 227 and 228, which shall enter into force from January 1, 2017;
2. paragraph 194 concerning Art. 360n – 360r which shall enter into force six months after the promulgation of the Act in the State Gazette;
3. paragraph 194 concerning Art. 360c, para. 2, Art. 360g, Art. 360h, para. 1 and Art. 360l which shall enter into force three years after the promulgation of the Act in the State Gazette.

**Transitional and concluding provisions  
TO THE INDEPENDENT FINANCIAL AUDIT ACT**

(PROM. - SG 95/16)

§ 5. To the performance of audits of financial reports of public interest enterprises and of audits of financial reports under the Insurance Code, the Social Insurance Code and the Credit Institutions Act for accounting periods ending on 31 December 2016 shall apply the revoked Independent Financial Audit Act.

**Transitional and concluding provisions  
TO THE ACT ON THE BUDGET OF THE STATE SOCIAL SECURITY FOR 2017**

(PROM. - SG 98/16, IN FORCE FROM 01.01.2017)

§ 4. The period under Art. 54c of the Code of Social Insurance of the unemployment benefits to persons, whose insurance was terminated before January 1, 2017, shall be determined by the order prevailing hitherto.

§ 5. (In force from 09.08.2016) The investigators and junior investigators, who, by August 8, 2016 included, have acquired a pension right under the conditions of Art. 69, para. 2 of the Code of Social Insurance in the version of January 1, 2016, may exercise it under the same conditions.

§ 6. Pensions of persons who have acquired the right to a pension by 31 December 2016 included, shall be granted from the date of acquisition of the right when the application with the required documents has been submitted within 6 months from that date. When the application is submitted after the expiry of the 6 months from the acquisition of pension rights, pensions shall be granted from the date of submission of the application.

§ 7. Complaints under Art. 117, para. 1, item 2, letter "a" and para. 4 of the Code for Social Insurance against orders for pensions, served by 31 December 2016 included, may be submitted within two months, respectively within three months from being served.

.....  
§ 12. This Act shall enter into force on January 1, 2017, except for:

1. paragraph 5 which shall enter into force on August 9, 2016;
2. paragraph 3, item 13-15 and § 8 which shall enter into force on June 1, 2017;
3. paragraph 3, item 2 which shall enter into force on January 1, 2018.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE**

(PROM. - SG 105/16, IN FORCE FROM 30.12.2016)

§ 22. The Act shall enter into force from the day of its promulgation in the State Gazette, except for § 5, 6, 17, 18, 19 and 20, which shall enter into force from 1 of January 2017.

**Transitional and concluding provisions  
TO THE ACT, AMENDING AND SUPPLEMENTING THE SOCIAL INSURANCE CODE**

(PROM. – SG 92/17, AMEND. AND SUPPL. - SG 15/18, IN FORCE FROM 16.02.2018, CORR. - SG 16/18)

§ 154. (In force from 01.01.2018) (1) Persons, who by 31 December 2018 have less than 5 years left to reaching the age under Art. 68, Para. 1 and who have no pension for insured length of service and age, may once, within the term by 31 December 2018 exercise the right to a choice under Art. 4b for a change of their insurance from a universal pension fund in Pensions fund, or from Pension for persons under Art. 69 Fund of the state social insurance under the Ordinance under Art. 179, Para. 3 of the Tax-insurance Procedure Code.

(2) Persons, who have pension for insurance length of service and age with initial date between 15 August 2015 and 31 December 2017, including, with decreased individual coefficient under Art. 70, Para. 7, shall have the right, within the term by 31 December 2018 to request re-calculation without decreasing the individual coefficient, if they transfer the funds from their individual account on a universal pension fund in Pension Fund, or Pension for the persons of Art. 69 Fund of the state social insurance. Transfer of the funds shall be declared personally or by an authorized with a notary certification person. The application shall be submitted to the relevant pension-insurance company, managing the fund, in which the person is insured through the territorial unit of the NII, which pays the

pension, with the application for re-calculation of the pension. The standard forms of the applications shall be confirmed by the manager of the NII.

(3) The pension for insurance length of service and age shall be recalculated from the 1<sup>st</sup> day of the month, following the month of submission of the application under Para. 2.

(4) The NII shall submit the submitted applications under Para. 2 for transfer of funds to the relevant pension insurance companies by the first working day of the month, following the month of their filing. On the first working day of the month, following the month of submission of the applications, the pension insurance company shall calculate the size of funds on the individual accounts of the relevant persons, in the value of one share, valid for the previous working day and shall close their individual accounts.

(5) The NII shall submit information to the National Revenue Agency for the submitted applications under Para. 2 for transfer of the funds on the day, following the day of their filing.

(6) (amend. - SG 15/18, in force from 01.01.2018, corr. on the entry into force - SG 16/18) Within 7-day term from ordering a calculation of a pension without decreasing the individual coefficient, the territorial unit of the NII shall send electronically in form, confirmed by the NII manager, information about this to the relevant pension-insurance company, which within 1-month term from receiving it shall transfer the accumulated funds to the individual account of the insured person in the universal pension fund to Pensions Fund, or Pensions for the persons under Art. 69 Fund of the state social insurance. In case of an ordered refusal for re-calculation of the pension, the company shall resume the keeping of the account.

(7) Together with the transfer of the funds under Para. 6, the pension insurance company shall submit electronically to the NII information about the size of the transferred funds of every individual account in a form, confirmed by the NII manager. Within 7-day term from the transfer, the company shall submit to the insured person a letter with returned note excerpts of their individual accounts and shall notify them about the transfer of the funds.

(8) From the 1<sup>st</sup> day of the month, following the months in which the application for re-calculation of the pension is sent, all due for the person insurance contributions for supplementary mandatory pension insurance in a universal pension fund shall be transferred to Pensions Fund or Pension for the persons under Art. 69 Fund of the state social insurance. Within 7-day term from ordering a refusal for re-calculation of the pension, the NII shall send electronically information about this to the National Revenue Agency. Within 10-day term from receiving the information about the refusal, the National Revenue Agency shall transfer all due for the person insurance contributions for supplementary mandatory pension insurance in a universal pension fund in the account of the relevant universal pension fund, in which the person has been insured before submitting the application under Para. 2.

(9) In the cases of violation under Para. 4, 6, 7 and Para. 8, sentence one, the deputy person of the Financial Supervision Commission, heading direction Insurance Supervision shall apply the measure of Art. 344, Para. 1, p. 1 and/or impose under Art. 354 an administrative punishment under Art. 351, or Art. 352.

§ 155. (1) Within 18-month term from publication of the act in the State Gazette, the pension insurance companies shall be obliged to comply their activity – apart from that under Para. 3 with this act and the instruments of the implementation of the Code and shall produce to the Financial Supervision Commission documents, certifying the compliance.

(2) Within 18-month term from publication of the act in the State Gazette, the banks-trustees shall be obliged to comply their activity with this act and the instruments of the implementation of the Code and to produce to the BNB and in the Financial Supervision Commission documents, certifying the compliance.

(3) Within the term by 31 December 2021, the pension insurance companies shall be obliged to comply the requirements, provided by this act with the investment activity the shares, possessed by the

managed by them funds for supplementary pension insurance, which on the date of its enforcement do not meet these requirements.

§ 156. (1) Within 14-month term from publication of the act in the State Gazette, the members of the management or control bodies, representatives of the legal persons in the control bodies and procurators of the pension insurance companies shall submit applications under Art. 121e, Para. 10, which are considered under Art. 121e, Para. 11 and 12. The persons, who manage and represent the pension insurance companies shall produce also evidence, including declaration, that the requirements of Art. 121f, Para. 1 and 3 have been observed.

(2) In the cases under Art. 121e, Para. 13, as well as where no application is submitted in the term under Para. 1, the Financial Supervision Commission shall apply the measure under Art. 344, Para. 2, p. 3.

§ 157. The pension insurance company, which manages the fund for supplementary mandatory pension insurance, which on the date of the enforcement of this act have investment properties, shall apply the requirements for comparison of every quarterly of the reached revenue form an investment property under Art. 180c, Para. 1 and Art. 180c, Para. 2 in relation to the possessed by the fund investment properties after expiry of 5 years form the enforcement of this act.

§ 158. Within 1 moth term form the enforcement of this act, the pension insurance companies, received permit for management of a fund for supplementary voluntary pension insurance in professional schemes, by its enforcement, shall be obliged to submit applications for issuance of identification codes of the legal subject for themselves and for the managed by them funds for supplementary pension insurance in professional schemes.

§159. (1) The started before the enforcement of this act procedures before the deputy chairperson of the Financial Supervision Commission, heading department Insurance Supervision shall be finished under the current procedure.

(2) The issued by the enforcement of this act under Para. 1, permits, approvals and registrations by the deputy chairperson of the Financial Supervision Commission, heading department Insurance Supervision shall keep their force.

§ 160. (In force from 18.11.2018) The Financial Supervision Commission shall adopt the ordinances on the application of the Social Insurance Code within 12-month term from the publication of the act in the State Gazette.

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§ 163. (1) Para. 1, 32 and 154 shall come into force from 1 January 2018.

(2) Para. 43,56, 91, 106, 115 and 138, p. 2 shall come into force form 1 April 2018.

(3) (amend. and suppl. - SG 15/18, in force from 21.11.2017, corr. on the entry into force - SG 16/18) Para. 5, item 2 and 4, § 6 – 14, § 19, 20, item 1, letters "a", "b" and "c", item 2, letter "a" and item 3, 4, and 5, § 18, item 1, § 21, item 2, § 22, items 2, 4 and 5, § 24 and 25, 27-30, 36, item 2, 44-49, 58, item 1, 59 – 65, 66, item 2, letter "a", § 67-76, 78, 85-89, 92-94, 95, item 1, § 108 – 11, 114, 117-123, 125 1ne 126, 128 1nd 129, 141, item 1, letter "a, and item 8, §145 and 146, 150, 158 160 shall come into force 12 months after publication of the act in the State Gazette.

**Transitional and concluding provisions**  
**TO THE ACT ON THE STATE BUDGET OF THE REPUBLIC OF BULGARIA FOR 2018**

(PUBL. – SG, 99/17, IN FORCE FROM 01.01.2018)

§ 2. For 2018 total reserve of the funds under Art. 18 of the Social Insurance Code shall not be deducted.

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§ 4. Defining the right, amount and term of the cash compensations for unemployment of the persons, whose insurance has been terminated before 1 January 2018, shall be proceeded under the current procedure.

§ 5. In case of change, recalculation, recovery or reimbursement of the pensions, granted with the initial date by 1 January 2019, the individual coefficient shall be calculated, or defined under the provisions, in force before 1 January 2019.

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§ 7, The act shall come into force from 1 January 2018.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE ACT ON LIMITATION OF THE  
ADMINISTRATIVE REGULATION AND THE ADMINISTRATIVE CONTROL OVER THE  
BUSINESS ACTIVITY**

(PROM. - SG 103/17, IN FORCE FROM 01.01.2018)

§ 68. The Act shall enter into force on 01 January 2018.

**Transitional and concluding provisions  
TO THE MARKETS IN FINANCIAL INSTRUMENTS ACT**

(PROM. - 15 OF 2018, IN FORCE FROM 16.02.2018, CORR. - SG 16/18)

§ 42. This Act shall enter into force on the day of its promulgation in the State Gazette, with the exception of:

1. Article 222, Para. 1-3, which shall enter into force on 3 September 2019;
2. (corr. - SG 16/18) paragraph 13, item 13, letter a, which shall enter into force on 1 January 2018;
3. (corr. - SG 16/18) paragraph 13, item 13, letter b, which shall enter into force on 21 November 2017;
4. paragraph 17, item 37 concerning Art. 264a and item 39 regarding Art. 273b, which shall enter into force on 1 January 2020.

**Transitional and concluding provisions  
TO THE ACT AMENDING AND SUPPLEMENTING THE LABOUR CODE**

(PROM. - SG 30/18, IN FORCE FROM 01.07.2018)

§ 8. In the Code of Social Insurance (prom., SG, No 110 of 1999; Constitutional Court Decision No 5 of 2000 - No 55 of 2000; amend., No 64 of 2000, No 1, 35 and 41 of 2001, No 1, 10, 45, 74, 112, 119 and 120 of 2002, No 8, 42, 67, 95, 112 and 114 of 2003, No 12, 21, 38, 52, 53, 69, 70, 112 and 115 of 2004, No 38, 39, 76, 102, 103, 104 and 105 of 2005, No 17, 30, 34, 56, 57, 59 and 68 of 2006; corr., No 76 of 2006; amend., No 80, 82, 95, 102 and 105 of 2006, No 41, 52, 53, 64, 77, 97, 100, 109 and 113 of 2007, No 33, 43, 67, 69, 89, 102 and 109 of 2008, No 23, 25, 35, 41, 42, 93, 95, 99 and 103 of 2009, No 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100 of 2010; Constitutional Court Decision No 7 of 2011 - No 45 of 2011; amend., No 60, 77 and 100 of 2011, No 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99 of 2012, No 15, 20, 70, 98, 104, 106, 109 and 111 of 2013, No 1, 18, 27, 35, 53 and 107 of 2014, No 12, 14, 22, 54, 61, 79, 95, 98 and 102 of 2015, No 62, 95, 98 and 105 of 2016, No 62, 92, 99 and 103 of 2017, No 7 and

15 of 2018; corr., No 16 of 2018; amend., No 17 of 2018) the following amendments shall be made:

.....  
11. In all other texts of the Code, the words "from 2-" are deleted.

§ 9. (1) The insured for general disease and maternity persons, who have adopted a child and who until 1 July 2018 inclusive, the term for payment of compensation under Art. 50 para. 5 or 7 or under Art. 53 of the Code of Social Insurance in their version until the entry into force of this Act, has not expired, from that date shall be entitled to compensation under Art. 53c, para. 1 or 3 of the Code of Social Security for the remainder up to 365 days, but no later than the child's 5 years of age.

(2) The insured for general disease and maternity persons, who have adopted a child and who until 1 July 2018 inclusive, the term for payment of compensation under Art. 50 para. 5 or 7 or under Art. 53 of the Code of Social Insurance in their version until the entry into force of this Act, has expired, from that date shall be entitled to compensation under Art. 53c, para. 1 or 3 of the Code of Social Security for the remainder up to 365 days, but no later than the child's 5 years of age.

.....  
§ 15. The Act shall enter into force on 1 July 2018.

**Transitional and concluding provisions**

**TO THE ACT AMENDING AND SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 46/18, IN FORCE FROM 21.05.2018)

§ 7. The requirements of § 2, item 1 shall apply for periods of employment after the entry into force of this Act.

§ 8. The Act shall enter into force on 21 May 2018.

**Transitional provisions**

**TO THE ACT SUPPLEMENTING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 53/18)

§ 5. Parents of soldiers who died before the entry into force of this Act in the performance of military service in operations and missions outside the country are entitled to an inheritance pension for military disability under Art. 82, para. 4 from the date of submission of the application.

§ 6. (1) The parents of cadets of high, semi-higher and higher military schools, who have not served conscript military service and have died during and in connection with training after reaching the age of majority, but before the expiration of the period to be considered conscript military service under current law at the time of death are entitled to a inheritance pension for military disability, regardless of their age.

(2) The amount of the pension of the persons under para. 1 shall be determined by the amount under Art. 86, para. 1 equal to the suitable pension for military disability of a private or a sergeant with permanently reduced working capacity above 90 per cent. The pension is granted from the date of submission of the application

(3) The persons under para. 1 receive in full their personal pension and the inheritance pension for military disability.

**Concluding provisions**

**TO THE ACT AMENDING THE CODE OF SOCIAL INSURANCE**

(PROM. - SG 64/18, IN FORCE FROM 01.01.2018)

§ 2. The Act shall enter into force on January 1, 2018.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE ADMINISTRATIVE PROCEDURE**  
**CODE**

(PROM. - SG 77/18, IN FORCE FROM 01.01.2019)

§ 156. The Act shall enter into force on 1 January 2019, with the exception of:

1. paragraphs 4, 11, 14, 16, 20, 30, 31, 74 and § 105 item 1 on the first sentence, and item 2 which shall enter into force on 10 October 2019;
2. paragraphs 38 and 77, which shall enter into force two months after the promulgation of this Act in the State Gazette;
3. paragraph 79, items 1, 2, 3, 5, 6 and 7, § 150 and 153, which shall enter into force on the day of the promulgation of this Act in the State Gazette.

**Concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE FAMILY ALLOWANCES FOR**  
**CHILDREN ACT**

(PROM. - SG 88/18, IN FORCE FROM 01.01.2019)

§ 10. (In force from 23.10.2018) The Council of Ministers shall, within two months from the promulgation of this Act in the State Gazette, adopt the necessary amendments and supplements to the Ordinance under Art. 106 of the Social Insurance Code.

§ 11. This Act shall enter into force on January 1<sup>st</sup>, 2019, except for § 3 and 10, which shall enter into force on the day of its promulgation in the State Gazette.

**Transitional and concluding provisions**  
**TO THE ACT AMENDING AND SUPPLEMENTING THE CORPORATE INCOME**  
**TAXATION ACT**

(PROM. - SG 98/18, IN FORCE FROM 01.01.2019)

§ 70. This Act shall enter into force on 1 January 2019, except for:

1. paragraph 43, item 2 - regarding Art. 4, item 65, item 4, letter "a", item 5, letter "b", sub-letter "bb", item 9, item 15, letter "b", item 31 and item 34; § 64, which shall enter into force on the day of the promulgation of the Act in the State Gazette;
2. paragraph 63, which shall enter into force on 18 November 2018;
3. paragraph 41, item 1, § 43, item 36, § 50, items 1 - 3, item 4, letter "a", items 5-10, § 52, item 3, § 53, items 1 and 3, and § 65-69, which shall enter into force on 7 January 2019;
4. paragraph 43, item 11 - regarding Art. 47, Para. 4, item 1 and Para. 5, which shall enter into force on 28 January 2019;
5. paragraph 52, items 1, 2, 4 and 5, and § 53, item 2, which shall enter into force on 20 May 2019;
6. paragraph 43, item 22, § 57, item 9, item 11, letter "c", item 31, items 32 and 37, which shall enter into force on 1 July 2019;
7. paragraph 50, item 4, letters "c" and "d", which shall enter into force on 1 October 2019;
8. paragraph 39, point 3, letter "b" - concerning Art. 14, Para. 2, which shall enter into force on 1 January 2020;
9. paragraph 43, item 11 - concerning Art. 47, Para. 4, item 2, which shall enter into force on 28

July 2020.

**Transitional and concluding provisions  
TO THE BUDGET ACT OF THE STATE PUBLIC INSURANCE FOR 2019**

(PROM. - SG 102/18, IN FORCE FROM 01.01.2019)

§ 1. (1) The Supervisory Board shall, upon proposal of the Manager of the National Social Security Institute, approve the necessary changes in the individual paragraphs of the expenses, without exceeding their total amount approved by this act, and this does not apply to the amounts for the state budget, as well as expenses incurred by the NSSI by virtue of other statutory instruments and projects outside the Code of Social Insurance, which are financed by transfers not provided for in this Act and which do not lead to a deterioration of the balance of the state public insurance. These expenses shall be reported in the NSSI budget and with them may be exceeded the NSSI budget expenditures.

(2) The cash benefits for prevention and rehabilitation transferred to the budget organizations from the budget of the state public insurance shall be reported as transfers.

§ 2. For 2019, no overall reserve of the funds under Art. 18 of the Code of Social Insurance shall be deducted.

.....  
§ 5. This Act shall enter into force from January 1st, 2019.

**Transitional and concluding provisions  
TO THE PEOPLE WITH DISABILITIES ACT**

(PROM. – SG 105/18, IN FORCE FROM 01.01.2019)

§ 28. The act shall enter into force on 1 January 2019, with the exception of:

1. Art. 73, Para. 3 and § 16 and 18, which shall enter into force on 1 January 2020;
2. paragraph 7, Para. 6, which shall enter into force on the day of the promulgation of the act in the State Gazette;
3. paragraphs 12 and 13, which shall enter into force on 1 January 2021.

**Relevant acts from the European Union legislation**

COUNCIL DIRECTIVE 72/430/EEC of 19 December 1972 amending Council Directive 72/166/EEC of 24 April 1972 on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and to the enforcement of the obligation to insure against such liability

DIRECTIVE 2000/26/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the approximation of the laws of the Member States relating to insurance against civil liability in respect of the use of motor vehicles and amending Council Directives 73/239/EEC and 88/357/EEC