

Social Insurance Code (Title amended, SG No. 67/2003)

Promulgated, State Gazette No. 110/17.12.1999, effective 1.01.2000; Judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 - SG No. 55/7.07.2000; amended and supplemented, SG No. 64/4.08.2000, amended, SG No. 1/2.01.2001, supplemented, SG No. 35/10.04.2001, amended, SG No. 41/24.04.2001, amended and supplemented, SG No. 1/4.01.2002, effective 1.01.2002, amended, SG No. 10/29.01.2002, effective 1.01.2002, amended and supplemented, SG No. 45/30.04.2002, effective 30.04.2002, SG No. 74/30.07.2002, effective 1.01.2003, supplemented, SG No. 112/29.11.2002, amended and supplemented, SG No. 119/27.12.2002, effective 1.01.2003, supplemented, SG No. 120/29.12.2002, amended and supplemented, SG No. 8/28.01.2003, effective 1.03.2003, supplemented, SG No. 42/9.05.2003, amended and supplemented, SG No. 67/29.07.2003, supplemented, SG No. 95/28.10.2003, amended and supplemented, SG No. 112/23.12.2003, effective 1.01.2004, amended, SG No. 114/30.12.2003, amended and supplemented, SG No. 12/13.02.2004, amended, SG No. 21/16.03.2004, effective 1.01.2004, supplemented, SG No. 38/11.05.2004, amended and supplemented, SG No. 52/18.06.2004, effective 1.08.2004, SG No. 53/22.06.2004, effective 1.01.2005, SG No. 69/6.08.2004, effective 1.07.2004, SG No. 70/10.08.2004, effective 1.01.2005, amended and supplemented, SG No. 112/23.12.2004, effective 1.01.2005, amended, SG No. 115/30.12.2004, effective 1.01.2005, amended and supplemented, SG No. 38/3.05.2005, amended, SG No. 39/10.05.2005, effective 11.02.2006, SG No. 76/20.09.2005, effective 1.01.2007, SG No. 102/20.12.2005, effective 20.12.2005, amended and supplemented, SG No. 103/23.12.2005, effective 1.01.2006, SG No. 104/27.12.2005, effective 1.01.2006, SG No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 17/24.02.2006, amended, SG No. 30/11.04.2006, effective 12.07/2006, SG No. 34/25.04.2006, effective 1.07.2008 (*), amended and supplemented, SG No. 56/11.07.2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union, SG No. 57/14.07.2006, effective 1.07.2006, SG No. 59/21.07.2006, effective as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union - 1.01.2007, SG No. 68/22.08.2006; corrected, SG No. 76/15.09.2006 (*), amended, SG No. 80/3.10.2006, effective 3.10.2006, SG No. 82/10.10.2006, SG No. 95/24.11.2006, effective 1.01.2007, supplemented, SG No. 102/19.12.2006, amended and supplemented, SG No. 105/22.12.2006, effective 1.01.2007, SG No. 41/22.05.2007, amended, SG No. 52/29.06.2007, effective 1.11.2007 (*), SG No. 53/30.06.2007, effective 30.06.2007, SG No. 64/7.08.2007, SG No. 77/25.09.2007, effective 1.10.2007, supplemented, SG No. 97/23.11.2007, SG No. 100/30.11.2007, effective 20.12.2007, amended and supplemented, SG No. 109/20.12.2007, effective 1.01.2008, SG No. 113/28.12.2007, effective 1.01.2008, amended, SG No. 33/28.03.2008, amended and supplemented, SG No. 43/29.04.2008, effective 1.01.2008, SG No. 67/29.07.2008, supplemented, SG No. 69/5.08.2008, amended, SG No. 89/14.10.2008, SG No. 102/28.11.2008, amended and supplemented, SG No. 109/23.12.2008, effective 1.01.2009, amended, SG No. 23/27.03.2009, effective 1.04.2009, supplemented, SG No. 25/3.04.2009, effective 1.06.2009, amended and supplemented, SG No. 35/12.05.2009, effective 12.05.2009, SG No. 41/2.06.2009, effective 2.06.2009, supplemented, SG No. 42/5.06.2009, amended, SG No. 93/24.11.2009, effective 25.12.2009, SG No. 95/01.12.2009, effective 1.01.2010, amended and supplemented, SG No. 99/15.12.2009, effective 1.01.2010, supplemented, SG No. 103/29.12.2009, effective 29.12.2009, amended, SG No. 16/26.02.2010, effective 26.02.2010, amended and supplemented, SG No. 19/19.03.2010, SG No. 43/8.06.2010, SG No. 49/29.06.2010, effective 1.07.2010, supplemented, SG No. 58/30.07.2010, effective 30.07.2010, amended and supplemented, SG No. 59/31.07.2010, effective 31.07.2010, amended, SG No. 88/9.11.2010, effective 1.01.2011, SG No. 97/10.12.2010, effective 10.12.2010, SG No. 98/14.12.2010, effective 1.01.2011, amended and supplemented, SG No. 100/21.12.2010, effective 1.01.2011; Judgment No. 7/31.05.2011 of the Constitutional Court of the Republic of Bulgaria - SG No. 45/14.06.2011; amended and supplemented, SG No. 60/5.08.2011, effective 5.08.2011, amended, SG No. 77/4.10.2011, amended and supplemented, SG No. 100/20.12.2011, effective 1.01.2012, supplemented, SG No. 7/24.01.2012, amended and supplemented, SG No. 21/13.03.2012, SG No. 38/18.05.2012, effective 1.07.2012, amended, SG No. 40/29.05.2012, supplemented, SG No. 44/12.06.2012, effective 1.07.2012, amended and supplemented, SG No. 58/31.07.2012, effective 1.08.2012, SG No. 81/23.10.2012, effective 1.09.2012, SG No. 89/13.11.2012, effective 1.01.2013, SG No. 94/30.11.2012, effective 1.01.2013, SG No. 99/14.12.2012, effective 1.01.2013, SG No. 15/15.02.2013, effective 1.01.2014, SG No. 20/28.02.2013, supplemented, SG No. 70/9.08.2013, effective 9.08.2013, amended, SG No. 98/12.11.2013, effective 1.12.2013, supplemented, SG No. 104/3.12.2013, effective 1.01.2014, amended and supplemented, SG No. 106/10.12.2013, effective 1.01.2014, SG No. 109/20.12.2013, effective 20.12.2013,

amended, SG No. 111/27.12.2013, effective 1.01.2014, amended and supplemented, SG No. 1/3.01.2014, effective 1.01.2014, amended, SG No. 18/4.03.2014, effective 4.03.2014, SG No. 27/25.03.2014, effective 1.01.2014, SG No. 35/22.04.2014, SG No. 53/27.06.2014, amended and supplemented, SG No. 107/24.12.2014, effective 1.01.2015, amended, SG No. 12/13.02.2015, SG No. 14/20.02.2015, amended and supplemented, SG No. 22/24.03.2015, effective 24.03.2015, SG No. 54/17.07.2015, effective 17.07.2015, SG No. 61/11.08.2015, effective 1.01.2016, SG No. 79/13.10.2015, effective 1.11.2015, amended, SG No. 95/8.12.2015, effective 1.01.2016, amended and supplemented, SG No. 98/15.12.2015, effective 1.01.2016, amended, SG No. 102/29.12.2015, effective 1.01.2016, SG No. 62/9.08.2016, effective 9.08.2016, amended and supplemented, SG No. 95/29.11.2016, SG No. 98/9.12.2016, effective 1.01.2017, SG No. 105/30.12.2016, effective 30.12.2016, supplemented, SG No. 62/1.08.2017, amended and supplemented, SG No. 92/17.11.2017, SG No. 99/12.12.2017, effective 1.01.2018, supplemented, SG No. 103/28.12.2017, effective 1.01.2018

*Note: An update of the English text of this Act is being prepared following the amendments in SG No. 7/19.01.2018

(*) Editor's Note: Regarding the entry into force of the clauses amending the Social Insurance Code by SG No. 34/25.04.2006, see § 56 of the Transitional and Final Provisions of the Commercial Register Act

Text in Bulgarian: Кодекс за социално осигуряване

Subject

Article 1. (Supplemented, SG No. 1/2002, amended, SG No. 67/2003) This Code shall regulate the social relations concerning:

1. public social insurance against common disease, employment injury, occupational disease, maternity, unemployment, old age and death;

2. supplementary social insurance, which includes:

(a) supplementary compulsory retirement insurance against old age and death;

(b) (amended, SG No. 56/2006) supplementary voluntary retirement insurance in funds for supplementary voluntary retirement insurance against old age, disablement and death and in funds for supplementary voluntary retirement insurance under occupational schemes against old age;

(c) supplementary voluntary unemployment and/or vocational-training insurance.

PART ONE

PUBLIC SOCIAL INSURANCE

(Heading amended, SG No. 67/2003)

Chapter One

GENERAL PROVISIONS

Scope of Social Insurance

Article 2. (1) (Previous text of Article 2, SG No. 109/2008, effective 1.01.2009) Public social insurance shall provide benefits, allowances and pensions for:

1. temporary disability;
2. temporarily reduced working capacity;
3. disablement;
4. maternity;
5. (new, SG No. 1/2002) unemployment;
6. (renumbered from Item 5, SG No. 1/2002) old age;
7. (renumbered from Item 6, SG No. 1/2002) death.

(2) (New, SG No. 109/2008, effective 1.01.2009) Those who are subject to public social insurance shall insure themselves in:

1. the Common Disease and Maternity Fund - in respect of common disease and maternity, which shall include insurance regarding temporary incapacity to work, temporarily reduced working capacity or maternity;
2. the Pensions Fund - against disability due to common disease, old age or death;
3. (new, SG No. 61/2015, effective 1.01.2016) the Article 69 Persons' Pension Fund against disability due to common disease, old age or death;
4. (renumbered from Item 3, SG No. 61/2015, effective 1.01.2016) the Industrial Accidents and Occupational Diseases Fund - against industrial accidents or occupational diseases, which shall include disability, death, temporary incapacity to work and temporarily reduced working capacity due to an industrial accident or an occupational disease;
5. (renumbered from Item 4, SG No. 61/2015, effective 1.01.2016) the Unemployment Fund - against unemployment.

(3) (New, SG No. 109/2008, effective 1.01.2009, amended and supplemented, SG No. 61/2015, effective 1.01.2016) Regarding persons insured under Article 4(1), the amounts of insurance contributions to be made shall be those specified for the Common Disease and Maternity Fund, the Pensions Fund, the Article 69 Persons' Pension Fund, the Industrial Accidents and Occupational Diseases Fund, the Unemployment Fund and the Teachers Pension Fund.

(4) (New, SG No. 109/2008, effective 1.01.2009) Regarding persons insured against industrial accidents and occupational diseases, the amounts of the insurance contributions to be made shall be those specified for the Industrial Accidents and Occupational Diseases Fund.

(5) (New, SG No. 109/2008, effective 1.01.2009) Regarding persons insured against disability due to common disease, old age or death, the amounts of the insurance contributions to be made shall be those specified for the Pensions Fund.

(6) (New, SG No. 61/2015, effective 1.01.2016) Teachers shall also have old-age insurance through separate insurance contributions into the Teachers Pension Fund.

Social Insurance Principles

Article 3. Public social insurance shall be implemented on the basis of the principles of:

1. compulsory compliance and universal coverage of the social insurance;
2. solidarity of the insured persons;
3. non-discrimination of the insured persons;

4. social dialogue in management of the social insurance system;
5. fund organization of the social insurance resources.

Insured Persons

Article 4. (1) (Amended, SG No. 109/2008, effective 1.01.2009) The following persons shall be compulsorily insured against common disease and maternity, disability due to a common disease, old age or death, industrial accidents and occupational diseases, and unemployment under this Code:

1. (supplemented, SG No. 119/2002, amended, SG No. 68/2006, effective 1.01.2007, supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 49/2010, supplemented, SG No. 100/2010, effective 1.01.2011, amended, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 98/2016, effective 1.01.2017) the factory and office workers, regardless of the nature of the work, the mode of pay, and the source of funding, excluding persons referred to Paragraph 10 and Article 4a, Paragraph 1. Persons included in the Maternity Support and Employment Promotion Programmes shall not be insured against unemployment, if the relevant programme stipulates so;
2. (supplemented, SG No. 106/2013, effective 1.01.2014) the civil servants under the Civil Servants Act;
3. (new, SG No. 74/2002, amended, SG No. 105/2006, supplemented, SG No. 109/2008, effective 1.01.2009) the judges, prosecutors, investigating magistrates, public enforcement agents, recording magistrates, and judicial officers as well as the members of the Supreme Judicial Council and the inspectors of the inspectorate with the Supreme Judicial Council;
4. (amended, SG No. 64/2000, renumbered from Item 3, SG No. 74/2002, amended, SG No. 119/2002, SG No. 68/2006, effective 1.05.2006, supplemented, SG No. 113/2007, effective 1.01.2007, amended and supplemented, SG No. 43/2008, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009, SG No. 99/2012, effective 1.01.2013, supplemented, SG No. 70/2013, effective 9.08.2013, SG No. 61/2015, effective 1.01.2016, SG No. 79/2015, effective 1.11.2015) the servicemen under the Republic of Bulgaria Defence and Armed Forces Act, the reservists actively serving under the Republic of Bulgaria Reserve Armed Forces Act, the civil servants under the Ministry of Interior Act and the Implementation of Penal Sanctions and Detention in Custody Act, the civil servants under the State Agency for National Security Act, under the State Intelligence Agency Act and the Special Intelligence Means Act, commissioned and noncommissioned officers under the National Protection Service Act, as well as the persons referred to in Article 69 (6);
5. (amended, SG No. 1/2002, renumbered from Item 4, SG No. 74/2002) the co-operative members, who perform work and receive remuneration at the co-operative; the co-operative members, who work at the co-operative without entering into an employment relationship, shall not be insured against unemployment;
6. (renumbered from Item 5, SG No. 74/2002, repealed, SG No. 107/2014, effective 1.01.2015);
7. (renumbered from Item 6, SG No. 74/2002, supplemented, SG No. 105/2006, amended, SG No. 99/2012, effective 1.01.2013, SG No. 106/2013, effective 1.01.2014, supplemented, SG No. 107/2014, effective 1.01.2015, amended, SG No. 98/2016, effective 1.01.2017) the managers and procurators of trade partnerships, sole traders, their branches, and branches of foreign legal entities, the members of the boards of directors, management and supervisory boards, and the controllers of commercial companies, the trustees in bankruptcy and the liquidators, as well as the contractors under contracts for management of unincorporated associations and persons entrusted with the management and/or control of state and municipal enterprises under Chapter Nine of the Commerce Act, their subsidiaries or other legal entities established by law;
8. (new, SG No. 112/2003, amended, SG No. 100/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013) persons performing work from elective office, with the exception of the persons under referred to in Items 1, 5 and 7, as well as the ministers holding a spiritual title of the Bulgarian Orthodox Church and other registered denominations under the Religious Denominations Act;
9. (new, SG No. 59/2010, effective 31.07.2010) postgraduates, receiving remuneration according to agreement for training for acquiring a specialism, listed in the list of specialisms, defined by the procedure under Article 181 (1) of the Health Act;
10. (new, SG No. 81/2012, effective 1.09.2012, amended, SG No. 98/2016, effective 1.01.2017) junior judges, junior prosecutors and junior investigators under the Judiciary System Act.

(2) (Amended, SG No. 64/2000, SG No. 1/2002, SG No. 100/2010, effective 1.01.2011, repealed, SG No. 107/2014, effective 1.01.2015).

(3) (Declared unconstitutional by the Constitutional Court of the Republic of Bulgaria in respect of the part extending the range of compulsorily insured persons under this legal text to working pension recipients, judgment promulgated, SG No. 55/2000) The following persons shall be compulsorily insured against disablement by common disease, against old age and against death:

1. persons registered as practitioners of a liberal profession and/or a skilled craft;
2. (supplemented, SG No. 105/2006) persons performing work as sole traders, owners or partners in commercial corporations and natural persons who are members of unincorporated associations;
3. (declared unconstitutional by the Constitutional Court of the Republic of Bulgaria, judgment promulgated, SG No. 55/2000)

doctoral candidates, unless insured against retirement on different grounds;

4. (amended, SG No. 64/2000, SG No. 112/2003, SG No. 12/2015) registered farmers and tobacco producers;
5. (amended, SG No. 64/2000, supplemented, SG No. 119/2002, amended, SG No. 99/2009, effective 1.01.2010) persons who perform work without entering into an employment relationship and who receive a monthly remuneration equal to or exceeding one minimum wage less the operational expenses, unless insured on other grounds during the relevant month;
6. (new, SG No. 119/2002) persons who perform work without entering into an employment relationship and who are insured on different grounds during the relevant month, regardless of the amount of the remuneration received.

(4) (Amended, SG No. 64/2000, supplemented, SG No. 1/2002, amended, SG No. 109/2008, effective 1.01.2009) The persons referred to in Items 1, 2 and 4 of Paragraph 3 may, at the discretion thereof, be furthermore insured against common disease and maternity.

(5) (New, SG No. 64/2000, amended, SG No. 10/2002, SG No. 60/2011, effective 5.08.2011) Persons who are placed in a job abroad by a Bulgarian job placement intermediation service may be insured against disablement by common disease, against old age and against death based on the minimum contributory income for self-insured persons as fixed by the Public Social Insurance Budget Act.

(6) (New, SG No. 64/2000, amended and supplemented, SG No. 99/2009, effective 1.01.2010) Persons referred to in Paragraph 3, Items 1, 2, 4, 5 and 6 who have been granted a pension shall be insured at the discretion thereof.

(7) (New, SG No. 113/2007, amended, SG No. 109/2008, SG No. 100/2010, effective 1.01.2011) At their own desire and expense, the spouse of an official working in a diplomatic mission on a long-term basis may be insured, for the duration of their residence in the foreign country during the official's overseas mandate, for disability due to a general disease, for old age or death on the minimum amount of the insurance income for self-insured persons laid down by the Public Social Insurance Budget Act, if the spouse is not insured on other grounds or on the basis of the legislation of the host country according to an applicable international treaty to which the Republic of Bulgaria is a party.

(8) (New, SG No. 100/2010, effective 1.01.2011, repealed, SG No. 99/2012, effective 1.01.2013).

(9) (New, SG No. 58/2012, effective 1.08.2012, amended, SG No. 12/2015) Where the spouses of the persons referred to in Items (1) and (4) of Paragraph (3) take part in such persons' work subject to such persons' consent, such spouses may be insured at their own discretion and at their own expense against disability due to common disease, old age or death, and in respect of common disease and maternity, unless they are insured under Paragraph (1) and/or Items (1), (2) and (4) of Paragraph (3) and/or Article 4a. The insurance contributions for the spouses of the persons referred to in Item (1) of Paragraph (3) shall be calculated based on the minimum contributory income for self-insured persons laid down in the Public Social

Insurance Budget Act, and the insurance contributions for the spouses of the persons referred to in Item (4) of Paragraph (3) shall be calculated based on the minimum contributory income for registered farmers and tobacco producers laid down in the Public Social Insurance Budget Act.

(10) (New, SG No. 54/2015, effective 17.07.2015) The persons referred to in Article 114a, Paragraph 1 of the Labour Code, are subject to social insurance against disablement by common disease, old age and death, as well as employment injury and occupational disease.

(11) (New, SG No. 1/2002, renumbered from Paragraph 7, supplemented, SG No. 113/2007, renumbered from Paragraph 8, amended, SG No. 100/2010, effective 1.01.2011, renumbered from Paragraph 9, amended, SG No. 58/2012, effective 1.08.2012, renumbered from Paragraph 10, SG No. 54/2015, effective 17.07.2015, amended, SG No. 98/2016, effective 1.01.2017) The procedure for insurance of self-insured persons, of persons working without entering into an employment relationship or into a civil-service relationship, of the persons referred to in Articles 7 and 9, and of persons placed in a job abroad by a Bulgarian employer or through the intermediation of a Bulgarian organisation, shall be regulated by the Council of Ministers on a motion by the National Social Security Institute.

Insurance of Maritime Persons

Article 4a. (New, SG No. 99/2009, effective 1.01.2010) (1) Maritime persons shall be insured, entirely for their account, against common disease and maternity; disability due to common disease; old age or death; employment injuries and occupational diseases based on a chosen monthly contributory income between the minimum and maximum amount of contributory income for self-insured persons, as laid down by the Public Social Insurance Budget Act for the relevant year.

(2) Persons referred to in Paragraph 1, if they choose and desire so, may also be insured, entirely for their account, against unemployment based on a chosen monthly contributory income between the minimum and maximum amount of contributory income for self-insured persons, as laid down by the Public Social Insurance Budget Act for the relevant year.

(3) Persons referred to in Paragraph 1 shall pay insurance contributions at the amounts specified for the Pensions Fund, the Common Disease and Maternity Fund, the Unemployment Fund, and the Employment Injury and Occupational Disease Fund as follows:

1. (amended, SG No. 98/2010, effective 1.01.2011, SG No. 99/2017, effective 1.01.2018) 19.8 percent for the Pensions Fund in respect of persons born prior to 1 January 1960, and 22.8 percent in respect of persons employed under Work Category I or Work Category II;

2. (amended, SG No. 98/2010, effective 1.01.2011, SG No. 99/2017, effective 1.01.2018) 14,8 percent for the Pensions Fund in respect of persons born after 31 December 1959, and 17,8 percent in respect of persons employed under Work Category I or Work Category II;

3. 3.5 percent for the Common Disease and Maternity Fund;

4. one percent for the Unemployment Fund;

5. 1.1 percent for the Employment Injury and Occupational Disease Fund;

6. (new, SG No. 61/2015, effective 15.08.2015) for maritime persons who made use of the option under Article 4b (1), the amount of the increased insurance contribution to the Pensions Fund shall be equal to the contribution under Item 1 of Article 157(1);

7. (new, SG No. 61/2015, effective 1.01.2016) for maritime persons who made use of the option under Article 4c (1), the amount of the increased insurance contribution to the Pensions Fund shall be equal to the contribution under Item 2 of Article 157(1).

(4) Persons referred to in Paragraph 1 shall not determine a final amount of the contributory income from employment relations as maritime persons.

(5) (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 58/2012, effective 1.08.2012, SG No. 54/2015, effective 17.07.2015) The insurance procedure in respect of persons referred to in Paragraphs 1 and 2 shall be regulated by the

statutory instrument of the Council of Ministers under Article 4(11).

(6) Where persons referred to in Paragraph 1 also receive income from activities under Article 4, insurance contributions shall be paid on the sum total of the contributory income, but not exceeding the maximum monthly amount of the contributory income as follows:

1. (amended, SG No. 107/2014, effective 1.01.2015, SG No. 99/2017, effective 1.01.2018) income from activities of the persons in the order specified in Article 4, Paragraphs (1) and (10);
2. (new, SG No. 99/2017, effective 1.01.2018) income from compensations paid under the Labour Code or special laws, on which social security contributions are payable;
3. (renumbered from Item 2, SG No. 99/2017, effective 1.01.2018) contributory income as maritime persons;
4. (amended, SG No. 12/2015, renumbered from Item 3, SG No. 99/2017, effective 1.01.2018) contributory income as sole traders, owners of, or partners in, commercial or in unincorporated entities, practitioners of liberal professions and/or skilled crafts, and registered farmers and tobacco producers;
5. (renumbered from Item 4, SG No. 99/2017, effective 1.01.2018) income from work performed without an employment relationship.

(7) (Amended, SG No. 94/2012, effective 1.01.2013) Insurance contributions of persons referred to in Paragraph 1 shall be remitted by the employer by the 25-th day of the month which follows the month when the work was performed.

Option to Shift from Supplementary Compulsory Retirement Insurance in a Universal Pension Fund to the Pensions Fund and the Article 69 Persons' Pension Fund

Article 4b. (New, SG No. 107/2014, effective 1.01.2015, amended, SG No. 61/2015, effective 15.08.2015) (1) (Amended, SG No. 92/2017, effective 1.01.2018) Those insured in a universal pension fund shall have the option of shifting from insurance in a universal pension fund to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, with increased insurance contributions at the rate of the insurance contribution for a universal pension fund, at least 5 years before attaining the age referred to in Article 68 (1), where no contributory-service and retirement-age pension has been granted to them.

(2) The persons referred to in Paragraph (1) may exercise their option after the expiry of one year of exercising their option under Article 124a.

(3) The insurance of the persons referred to in Paragraph 1 shall arise from the first day of the month following the month of exercising such option.

(4) The selection of insurance and the procedure and method of collection and allocation of the increased insurance contributions for the persons under Paragraph (1) shall be regulated by the Ordinance referred to in Article 179(3) of the Tax and Social Insurance Procedure Code.

Option to Shift from Supplementary Compulsory Retirement Insurance in an Occupational Pension fund to the Pensions Fund

Article 4c. (New, SG No. 61/2015, effective 1.01.2016) (1) Those insured in an occupational pension fund may only once shift from insurance in an occupational pension fund to the Pensions Fund with increased insurance contributions at the rate of the insurance contribution under Item 2 of Article 157(1), where no contributory-service and retirement-age pension or early-retirement occupational pension has been granted to them.

(2) The selection of insurance and the procedure and method of collection and allocation of the increased insurance contributions for the persons under Paragraph (1) shall be regulated by the Ordinance referred to in Article 179(3) of the Tax and Social Insurance Procedure Code.

Article 5. (1) (Amended, SG No. 105/2005, supplemented, SG No. 109/2008, effective 1.01.2009, amended, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) A social insurance contributor shall be any natural person, legal person or unincorporated association, as well as any other organization obligated by law to make social insurance contributions for other natural persons.

(2) (Amended and supplemented, SG No. 109/2008, effective 1.01.2009, amended, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) A self-insured person shall be any natural person obligated to make social insurance contributions at their own expense.

(3) (New, SG No. 67/2003, amended, SG No. 105/2005) The registration of social insurance contributors and self-insured persons at the National Social Security Institute shall be effected ex officio on the basis of the data in the register and the databases of the National Revenue Agency under Article 80 (1) of the Tax and Social-Insurance Procedure Code.

(4) (Amended, SG No. 1/2002, renumbered from Paragraph 3, SG No. 67/2003, amended, SG No. 112/2004, SG No. 105/2005) Social insurance contributors, contribution payment centres, self-insured persons and employers shall periodically provide to the National Revenue Agency data regarding:

1. (supplemented, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010) contributory income, public social insurance contributions, the Teachers Pension Fund, health insurance, supplementary compulsory retirement insurance, contributions to the Factory and Office Workers' Guaranteed Claims Fund, days of contributory service and the taxable income under the Income Taxes on Natural Persons Act, with all of the aforementioned submitted separately for each person subject to social insurance;

2. (amended and supplemented, SG No. 105/2006, supplemented, SG No. 58/2012, effective 1.08.2012) declaration regarding the amounts due in contributions for public social insurance, health insurance, supplementary compulsory retirement insurance, the Teachers Pension Fund, contributions to the Factory and Office Workers' Guaranteed Claims Fund and tax under the Income Taxes on Natural Persons Act. A declaration regarding the amounts due in contributions for public social insurance and for supplementary compulsory retirement insurance shall also be submitted in respect of the persons referred to in Article 4(5) and Article 4(9).

(5) (Renumbered from Paragraph 4 and amended, SG No. 67/2003, SG No. 112/2004, repealed, SG No. 105/2005).

(6) (Renumbered from Paragraph 5 and amended, SG No. 67/2003, supplemented, SG No. 38/2005, amended, SG No. 105/2005, effective 29.12.2005, supplemented, SG No. 105/2006, SG No. 100/2010, effective 1.01.2011) The content, time limits, manner and procedure for submission and storage of the data covered under Paragraph 4 shall be established by an ordinance issued by the Minister of Finance in coordination with the Governor of the National Social Security Institute. The data covered under Paragraph 4 shall be used for calculation and granting of the pensions, cash benefits and allowances.

(7) (Renumbered from Paragraph 6 and supplemented, SG No. 67/2003, amended, SG No. 38/2005, SG No. 107/2014, effective 1.01.2015, SG No. 98/2016, effective 1.01.2018) The social insurance contributor is obliged to issue within 14 days, free of charge, documents regarding the contributory service and contributory income, as well as to certify facts and circumstances related thereto, upon the request of:

1. the insured person or his/her representative – concerning periods prior to 1 January 2000;

2. officials under Article 40, Paragraph 3, Article 54g, Paragraph 1 and Article 98, Paragraph 1.

(8) (New, SG No. 1/2002, renumbered from Paragraph 7, SG No. 67/2003, amended, SG No. 105/2005, supplemented, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010) The National Revenue Agency shall make available to the National Social Security Institute the data covered under Paragraph 4(1) regarding the revenues from insurance contributions, the data of the notifications referred to in Article 62 (3) of the Labour Code and the data on opened and closed bank accounts of the social insurance contributors and the self-insured persons under Article 25 (1) of the National Revenue Agency Act. The procedure for provision of the said information shall be established 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 No. 1/2002, renumbered from Paragraph 8, SG No. 67/2003, repealed, SG No. 105/2005).

(10) (New, SG No. 38/2005, effective 1.01.2006, supplemented, SG No. 104/2005, effective 27.12.2005, SG No. 99/2012, effective 1.01.2013, SG No. 22/2015, effective 1.01.2017) In the event of discontinuance of the activity of social insurance contributors which have no legal successors, the payrolls shall be delivered to the competent local division of the National Social Security Institute, unless another procedure for their keeping has been provided for by law. Employment contracts (orders of appointment), orders of reappointment, orders of use of unpaid days over 30 working days, orders of termination of employment or civil-service relationship shall be attached to the payrolls. Where the discontinuance of the activity of the social insurance contributor is effected under a judgment of court on deregistration or the deregistration is subject to registration in the Commercial Register, the availability of the certificate on delivery of the payrolls, issued by the local division of the National Social Security Institute, shall be a mandatory condition for delivery of the judgment, respectively the registration in the Commercial Register, except in the cases of ex-officio deregistration in accordance with the procedure provided for in Article 17a(6) of the Commerce Act. Where payrolls and other documents evidencing the contributory service and contributory income of workers and employees who have worked at branches of foreign companies deregistered ex officio as provided for in Article 17a(6) of the Commerce Act have not been handed over to the competent local division of the National Social Security Institute until the date of deregistration, the persons storing them shall be under the obligation to hand them over within three months of the deregistration.

(11) (New, SG No. 107/2014, effective 1.01.2015) The documents referred to in Paragraph 10 shall be processed and submitted at the expense of the insurers. In the cases of termination of the operations of a commercial company, in which the sole owner of the capital is the state or municipality, where it is not possible to process and submit the documents at the expense of the company, the funds shall be provided by the ministry or municipality exercising the rights the sole owner of the capital.

(12) (New, SG No. 38/2005, effective 1.01.2006, renumbered from Paragraph 11, SG No. 107/2014, effective 1.01.2015) The National Social Security Institute shall create and maintain an information system of the payrolls delivered according to the procedure established by Paragraph 10. Data from the said information system shall be used for calculation and granting of the pensions and cash benefits.

(13) (New, SG No. 105/2006, renumbered from Paragraph 12, SG No. 107/2014, effective 1.01.2015) The Governor of the National Social Security Institute shall issue an instruction on the terms and procedure for receipt and storage of the documents covered under Paragraph 10.

(14) (New, SG No. 19/2010, renumbered from Paragraph 13, SG No. 107/2014, effective 1.01.2015) The Executive Director of the National Revenue Agency shall prepare, on a six-month basis, and submit to the Ministry of Labour and Social Policy and to the Supervisory Board of the National Social Security Institute information about the amount of collected social insurance contributions, the trends observed, as well as the measures undertaken to collect the contributions.

Social Insurance Contributions and Contributory Income

Article 6. (Amended and supplemented, SG No. 64/2000, amended, SG No. 1/2002) (1) (Amended, SG No. 112/2004, SG No. 104/2005, SG No. 77/2007, SG No. 109/2008, effective 1.01.2009) The amounts of insurance contributions shall be paid to the public social insurance funds as follows:

1. (amended, SG No. 99/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016) for the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, for those born prior to 1 January 1960:

a) 17.8 percent, and in respect of persons employed under Work Category I or Work Category II and the persons referred to in Article 69a - 20.8 percent;

b) (amended, SG No. 98/2016, effective 1.01.2017) for the persons referred to in Article 69 – 60.8;

2. (amended, SG No. 99/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016) for the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, for those born after 31 December 1959:

a) 12.8 percent, and in respect of persons employed under Work Category I or Work Category II and the persons referred to in Article 69a - 15.8 percent;

b) (amended, SG No. 98/2016, effective 1.01.2017) for the persons referred to in Article 69 – 55.8;

3. (new, SG No. 99/2012, effective 1.01.2013, amended, SG No. 106/2013, effective 1.01.2014) with regard to the persons specified in Article 127, Paragraph 5, the insurance contribution to the Pensions Fund under item 2 shall be increased by 5 percentage points;

4. (new, SG No. 107/2014, effective 1.01.2015, amended, SG No. 61/2015, effective 1.01.2016) the insurance contribution to the Pensions Fund shall be increased as follows:

a) as of 1 January 2017 – by 1 percentage point, of which 0.56 at the expense of the social insurance contributor and 0.44 at the expense of the insured person;

b) as of 1 January 2018 – by 1 percentage point, of which 0.56 at the expense of the social insurance contributor and 0.44 at the expense of the insured person;

5. (renumbered from Item 3, SG No. 99/2012, effective 1.01.2013, renumbered from Item 4, SG No. 107/2014, effective 1.01.2015) 3.5 percent for the Common Disease and Maternity Fund;

6. (renumbered from Item 4, SG No. 99/2012, effective 1.01.2013, renumbered from Item 5, SG No. 107/2014, effective 1.01.2015) one percent for the Unemployment Fund;

7. (renumbered from Item 5, SG No. 99/2012, effective 1.01.2013, renumbered from Item 6, SG No. 107/2014, effective 1.01.2015) between 0.4 and 1.1 percent for the Industrial Accidents and Occupational Diseases Fund, as provided for by the Public Social Insurance Budget Act for the relevant year by main types of economic activities.

(2) (Supplemented, SG No. 105/2006, SG No. 99/2009, effective 1.01.2010) The income on which social insurance contributions are due shall include all remunerations, including such that are charged but unpaid or insurance contributions that have not been charged in the accounts, and other income from work. The Public Social Insurance Budget Act shall determine:

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

2. (amended, SG No. 98/2010, effective 1.01.2011, SG No. 99/2017, effective 1.01.2018) the minimum monthly amount of the contributory income during the calendar year for self-insured persons;

3. (new, SG No. 119/2002) the principal economic activities and occupation groups for which minimum monthly contributory income is introduced for the calendar year by activity and group of occupations, as well as the minimum contributory income for them.

(3) (Amended, SG No. 119/2002, SG No. 112/2003, supplemented, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011, amended and supplemented, SG No. 60/2011, effective 1.09.2011) Social insurance contributions for factory and office workers and for persons under Items 7 and 8 of Article 4(1) shall be due on the gross monthly remunerations received (including charged in the accounts but unpaid), or on the monthly remunerations not charged in the accounts, but at least on the minimum contributory income under Paragraph 2(3); in respect of persons for whom no minimum contributory income is set, social insurance contributions shall be due on the minimum monthly employment salary for Bulgaria but not exceeding the maximum monthly amount of the contributory income. The insurance contributions for the persons referred to in Item 9 of Article 4(1) shall be payable based on the remuneration received but not on an amount smaller than the minimum monthly employment salary for Bulgaria. Social insurance contributions for factory and office workers and for persons under Items 5, 7, 8 and 9 of Article 4 (1) and Items 5 and 6 of Article 4 (3) shall be divided between the social insurance contributors and the insured persons in the following ratio:

1. for 2000 and 2001: 80 to 20;

2. for 2002-2004: 75 to 25;

3. for 2005: 70 to 30;

4. for 2006: 65 to 35;

5. (amended, SG No. 105/2006) for 2007: 65 to 35;

6. (amended, SG No. 105/2006) for 2008: 60 to 40;

7. (amended, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009) as of 1 January 2009 the insurance contribution to the Common Disease and Maternity Fund and the Unemployment Fund shall be distributed at a ratio of 60:40;

8. (new, SG No. 105/2006, amended, SG No. 109/2008, SG No. 99/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011, supplemented, SG No. 106/2013, effective 1.01.2014) As of 1 January 2011, the insurance contribution to the Pensions Fund in respect of persons born prior to 1 January 1960 as well as in respect of the persons specified in Article 127, Paragraph 5, working under employment relationships, shall be distributed as follows:

a) 7.9 percent for the account of the insured person, and 17.8 percent for the account of the self-insured person;

b) (supplemented, SG No. 100/2011, effective 1.01.2012) 9.9 percent for the account of the social insurance contributor, and 12.9 percent in cases where the person concerned is: employed under Work Category I or Work Category II and with respect to the persons referred to in Article 69a;

9. (new, SG No. 109/2008, amended, SG No. 99/2009, effective 1.01.2010, SG No. 98/2010, effective 1.01.2011) as of 1 January 2011, the insurance contribution to the Pensions Fund in respect of persons born after 31 December 1959 shall be distributed as follows:

a) 4.9 percent for the account of the insured person, and 11 percent for the account of the self-insured person;

b) (supplemented, SG No. 100/2011, effective 1.01.2012) 7.1 percent for the account of the social insurance contributor, and 10.1 percent in cases where the person concerned is: employed under Work Category I or Work Category II and with respect to the persons referred to in Article 69a;

10. (new, SG No. 61/2015, effective 15.08.2015) for those under Article 4b(1) who opted to shift from insurance in a universal pension fund to the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, the increased insurance contribution to the Pensions Fund or the Article 69 Persons' Pension Fund shall be at the rate of the contribution under Item 1 of Article 157(1); the contribution shall be shared by the social insurance contributor and the insured person in the proportion provided for by Article 157(3);

11. (new, SG No. 61/2015, effective 1.01.2016) for those under Article 4c (1) who opted to shift from insurance in an occupational pension fund to the Pensions Fund, the increased insurance contribution to the Pensions Fund shall be at the rate of the contribution under Item 2 of Article 157(1).

(4) (Amended, SG No. 119/2002, SG No. 109/2008, effective 1.01.2009) The remuneration for those covered by Article 4(3), Items 5 and 6, based on which insurance contributions are due, shall be determined after subtracting therefrom the operating expenses determined according to the Income Taxes on Natural Persons Act.

(5) (Amended and supplemented, SG No. 74/2002, supplemented, SG No. 119/2002, SG No. 105/2006, amended, SG No. 81/2012, effective 1.09.2012, supplemented, SG No. 99/2012, effective 1.01.2013) Social insurance contributions for persons under Items 2, 3, 4 and 10 of Article 4 (1) herein shall be due on the lesser of the gross monthly remunerations as received or as charged but unpaid under such relationships and the maximum amount of the contributory income and not less than the minimum monthly salary for the country, and shall be for the account of the state budget or the judiciary budget, respectively.

(6) (Supplemented, SG No. 99/2009, effective 1.01.2010) Social insurance contributions to the Employment Injury and Occupational Disease Fund, excluding contributions for persons referred to in Article 4a, Paragraph 1 shall be paid for the account of the social insurance contributors.

(7) (New, SG No. 61/2015, effective 1.01.2016) The social insurance contribution to the Teachers Pension Fund shall be at the rate of 4.3 per cent and shall be entirely at the expense of the social insurance contributor.

(8) (Supplemented, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010, renumbered from Paragraph 7, SG No. 61/2015, effective 1.01.2016) Social insurance contributions for persons under Items 1, 2 and 4 of Article 4(3) shall be paid for the account of the insured persons and shall be due in advance on a monthly contributory income between the minimum and the maximum monthly amount of the income laid down by the Public Social Insurance Budget Act for the relevant year.

(9) (Supplemented, SG No. 119/2002, SG No. 105/2006, amended, SG No. 109/2008, SG No. 99/2009, effective

1.01.2010, supplemented, SG No. 107/2014, effective 1.01.2016, renumbered from Paragraph 8, amended, SG No. 61/2015, effective 1.01.2016, SG No. 98/2015, effective 1.01.2016) The final amount of the monthly contributory income for the persons referred to in Paragraph 8 shall be determined, based on the data declared in a statement enclosed with the annual tax return under the Income Taxes on Natural Persons Act, for the period during which work was performed in the preceding year. The final amount may not be lower than the minimum monthly contributory income, or higher than the maximum monthly contributory income. Final insurance contributions shall be paid by insured persons, based on the annual contributory income, in the amounts set out for the Pensions Fund and for the supplementary compulsory retirement insurance and in the amount of the General Sickness and Maternity Fund for self-insured individuals, who have elected to be insured in this fund within the time limit for submission of the tax return. The annual contributory income is determined as the difference between the declared taxable income resulting from labour activities exercised, or the income ascertained by the revenue authority under the terms and conditions and according to the procedure of the Tax and Social-Insurance Procedure Code, and the sum total of income in respect of which advance insurance contributions have been paid. Where, in the tax return for the preceding year, a person declares income received in return for activities performed during past years, or where a lower or higher taxable income has been determined by an enforced auditing statement under the Tax and Social Insurance Procedure Code, the person concerned shall also submit a contributory income adjustment statement for the relevant year.

(10) (Amended, SG No. 112/2003, SG No. 12/2015, renumbered from Paragraph 9, SG No. 61/2015, effective 1.01.2016) Registered farmers and tobacco producers, producing unprocessed plant and/or animal production, shall not determine a final amount of their contributory income for this activity. Social insurance contributions for such persons may be paid from funds for supporting farmers according to a procedure established by the Council of Ministers.

(11) (Renumbered from Paragraph 10, SG No. 61/2015, effective 1.01.2016) For persons receiving income from activities on grounds different from Article 4 herein, contributions shall be paid on lesser of the sum total of their contributory incomes and the maximum monthly amount of the contributory income as follows:

1. (amended, SG No. 109/2008, effective 1.01.2009, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 54/2015, effective 17.07.2015, amended, SG No. 98/2016, effective 1.01.2017) income from activities of the persons in the order specified in Article 4, Paragraphs 1 and 10;

2. (new, SG No. 98/2016, effective 1.01.2017) income from compensations paid under the Labour Code or special laws, on which social security contributions are payable;

3. (amended, SG No. 112/2003, supplemented, SG No. 109/2008, effective 1.01.2009, amended, SG No. 12/2015, SG No. 98/2016, effective 1.01.2017) contributory income as sole traders, owners of, or partners in, commercial or in unincorporated entities, practitioners of liberal professions and/or skilled crafts, and registered farmers and tobacco producers;

4. (renumbered from Item 3, SG No. 98/2016, effective 1.01.2017) income from work performed without an employment relationship.

(12) (Supplemented, SG No. 109/2008, amended, SG No. 100/2011, effective 1.01.2012, SG No. 107/2014, effective 1.01.2015, renumbered from Paragraph 11, supplemented, SG No. 61/2015, effective 1.01.2016, amended, SG No. 98/2016, effective 1.01.2017, SG No. 99/2017, effective 1.01.2018) Social insurance contributions as determined according to the procedure established by Paragraphs (3), (5), (6) and (7) shall be charged on the social expenses funds allocated permanently or periodically directly to persons under Article 4 (1) in cash or in kind.

(13) (Renumbered from Paragraph 12, SG No. 61/2015, effective 1.01.2016) Social insurance contributions at the expense of the social insurance contributors may not be deducted from the remuneration of the insured persons. Such remuneration may not be reduced by the amount of the said contributions.

(14) (Renumbered from Paragraph 13, SG No. 61/2015, effective 1.01.2016) The elements of the remuneration, as well as the income on which social insurance contributions are paid, shall be determined by an act of the Council of Ministers on a motion by the National Social Security Institute.

(15) (New, SG No. 119/2002, amended, SG No. 95/2006, effective 1.01.2007, renumbered from Paragraph 14, amended, SG No. 61/2015, effective 1.01.2016) The schedule under Paragraph 9 of the annual tax return under the Income Taxes on Natural Persons Act shall be endorsed by the Minister of Finance and the Governor of the National Social Security Institute.

(16) (New, SG No. 107/2014, effective 1.01.2015, renumbered from Paragraph 15, SG No. 61/2015, effective 1.01.2016, supplemented, SG No. 98/2016, effective 1.01.2017) The maximum contributory income where working time is calculated as

an aggregated amount for more than one month is equal to the sum of the maximum contributory income for the months of the period, for which working time is reported as an aggregated amount.

(17) (New, SG No. 98/2016, effective 1.01.2017) Upon aggregated calculation of the working hours for more than one month, the minimum contributory income shall be equal to the sum total of the minimum contributory income under Item 3 of Paragraph 2, and for persons with regard to which no minimum contributory income has been determined – the minimum wage for the country, for the months in the period for which aggregated reporting of working hours has been established.

Social insurance contributions and contributory income of persons

seconded or posted to the territory of another Member State of the European Union, to another

contracting State to the Agreement on the European Economic Area

(Title supplemented, SG No. 105/2016, effective 30.12.2016)

Article 6a. (New, SG No. 45/2002, repealed, SG No. 105/2005, new, SG No. 19/2010, effective 14.09.2010) (1) (Supplemented, SG No. 100/2011, effective 1.01.2012, SG No. 7/2012, amended and supplemented, SG No. 105/2016, effective 30.12.2016, supplemented, SG No. 99/2017, effective 1.01.2018) Social insurance contributions in respect of seconded or posted factory and office workers under the procedure of Article 121a, Paragraph 1, Item 1 and Paragraph 2, Item 1 of the Labour Code and within the meaning of Article 12, Paragraph 1 of Regulation No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems shall be due on the gross monthly remunerations received (including charged in the accounts but unpaid), or on the monthly remunerations not charged in the accounts, as well as on other income resulting from employment in the host country and in Bulgaria. In any case, the said contributions shall be charged at least on the minimum wage rates in the host country and for factory and office workers seconded or posted to a country where no minimum wage rates are envisaged – the minimum contributory income referred to in Article 1 (6)(2) and on no more than the maximum amount of the monthly contributory income as laid down in Article 3 (6)(2).

(2) Social insurance contributions in respect of persons referred to in Paragraph 1 shall be due in the amounts under Article 6 (1) and shall be divided between the relevant social security contributor and the insured person as per the procedure set out in Article 6 (3).

Procedure for Remittance of Social Insurance Contributions

(Heading amended, SG No. 1/2002)

Article 7. (1) (Amended, SG No. 1/2002, SG No. 94/2012, effective 1.01.2013, SG No. 107/2014, effective 1.01.2015) The public social insurance contributions for persons under Article 4(1) herein shall be remitted by the social insurance contributors by the 25-th day of the month which follows the month when the work was performed.

(2) (Amended, SG No. 1/2002, supplemented, SG No. 109/2008, amended, SG No. 94/2012, effective 1.01.2013) As regards supplementary income from work after the term under Paragraph 1 the social insurance contributions for the month which follows the month when the work was performed, shall be remitted by the social insurance contributors by the 25-th day of the month of crediting or payment of such income.

(3) (New, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 94/2012, effective 1.01.2013).

(4) (Amended, SG No. 1/2002, renumbered from Paragraph 3, SG No. 105/2006, amended, SG No. 94/2012, effective 1.01.2013, SG No. 99/2017, effective 1.01.2018) The social insurance contributions under Article 6 (8) for self-insured persons shall be remitted in person or through contribution payment centres by the 25-th day of the month following the month wherefor the said contributions are due.

(5) (New, SG No. 64/2000, effective 1.08.2000, amended, SG No. 112/2003, renumbered from Paragraph 4, SG No.

105/2006, repealed, SG No. 99/2009, effective 1.01.2010, new, SG No. 109/2013, effective 1.01.2014, amended, SG No. 18/2014, effective 4.03.2014, SG No. 99/2017, effective 1.01.2018) In case of existence of more than one public obligation the self-insured persons and the persons under Article 4(9) may declare under procedure, specified by the Ordinance under Article 5(6), which obligations for contributions for public social insurance they would settle. In such a case Article 169(5) and (6) of the Tax and Social-Insurance Procedure Code shall not apply.

(6) (New, SG No. 1/2002, renumbered from Paragraph 5, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010, SG No. 94/2012, effective 1.01.2013) Social insurance contributions for persons working without entering into an employment relationship shall be remitted by the social insurance contributor on or before the 25-th day of each month succeeding the month when the remuneration was paid.

(7) (New, SG No. 1/2002, amended, SG No. 105/2005, SG No. 34/2006, renumbered from Paragraph 6, SG No. 105/2006) Social insurance contributors, self-insured persons and contribution payment centres shall remit the compulsory social insurance contributions to the relevant account of the competent territorial directorate of the National Revenue Agency through the respective banks, a licensed postal operator or the divisions thereof, using the single identification code.

(8) (New, SG No. 1/2002, amended, SG No. 104/2005, effective 27.12.2005, renumbered from Paragraph 7 and supplemented, SG No. 105/2006, amended, SG No. 94/2012, effective 1.01.2013, supplemented, SG No. 107/2014, effective 1.01.2015) Social insurance contributors and self-insuring persons who have also elected to be insured for general disease and maternity shall remit the social insurance contributions for each month separately.

(9) (New, SG No. 1/2002, supplemented, SG No. 104/2005, effective 27.12.2005, renumbered from Paragraph 8, SG No. 105/2006, repealed, SG No. 94/2012, effective 1.01.2013).

(10) (New, SG No. 1/2002, renumbered from Paragraph 9, SG No. 105/2006, amended, SG No. 94/2012, effective 1.01.2013) Social insurance contributors who or which do not hold a bank account shall remit social insurance contributions in cash at banks and post offices.

(11) (New, SG No. 1/2002, renumbered from Paragraph 10, SG No. 105/2006, amended, SG No. 94/2012, effective 1.01.2013) The portion of social insurance contributions which is for the account of the insured persons under Article 6(3) herein shall not be deducted from advance payments.

(12) (New, SG No. 106/2013, effective 1.01.2014) Insurance contributions for the periods specified in Article 9, Paragraph 3 shall be paid in by social insurance contributors:

1. by the 25th day of the month following the month in which the instrument establishing the illegal banning or removal from work has entered into force, and in the event of reinstatement to office in accordance with the procedures set out in special legislation - by the 25th day of the month following the month of the reinstatement;

2. by the 25th day of the month following the month in which the instrument, by the virtue of which the corresponding competent authority recognises the illegality of the dismissal, has entered into force;

3. by the 25th day of the month following the month, for which compensation is due to the occupationally rehabilitated person, to whom no appropriate work has been provided;

4. by the 25th day of the month following the month, in which the compensation for losing the job has been paid.

(13) (New, SG No. 54/2015, effective 17.07.2015) Public social insurance contributions for the persons referred to in Article 114a, Paragraph 1 of the Labour Code, are due in advance on no less than the minimum monthly amount of the contributory income under Article 6, Paragraph 2, Item 3.

Contribution Payment Centres

Article 8. (1) (Amended, SG No. 64/2000, SG No. 104/2005, effective 27.12.2005, SG No. 105/2005, SG No. 105/2006, SG No. 58/2012, effective 1.08.2012) Social insurance contributors, self-insured persons and the persons under Article 4(9) may establish contribution payment centres, which shall be registered at the territorial directorate of the National Revenue Agency. Contribution payment centres shall perform the social insurance of their members. Social insurance contributors who

or which are members of such contribution payment centres and who or which hire up to fifty factory or office workers may perform the social insurance of the said workers, as well as the social insurance of persons working for the said contributors without entering into an employment relationship, through such contribution payment centres.

(2) (Amended, SG No. 64/2000) Contribution payment centres shall perform the social insurance of persons under Paragraph 1 by means of:

1. (amended, SG No. 64/2000, SG No. 1/2002, SG No. 105/2005, amended and supplemented, SG No. 105/2006) collecting and remitting, within the time limits established by statute, the contributions due for public social insurance, for supplementary compulsory retirement insurance, for health insurance, and the contributions to the Factory and Office Workers' Guaranteed Claims Fund to the respective accounts of the National Revenue Agency;

2. (amended, SG No. 105/2006) presenting the documents required for payment of the cash benefits and allowances under public social insurance to the competent local division of the National Social Security Institute;

3. executing and keeping the documents related to the social insurance of the members of the contribution payment centre.

(3) (Supplemented, SG No. 105/2005, effective 29.12.2005) The manner and procedure for establishment and functioning of contribution payment centres shall be regulated by an act of the Council of Ministers on a motion by the National Social Security Institute, in consultation with the National Revenue Agency.

Contributory Service

Article 9. (Amended and supplemented, SG No. 64/2000, amended, SG No. 1/2002) (1) (Amended, SG No. 119/2002, supplemented, SG No. 112/2004) Contributory service shall be calculated in hours, days, months, and years. The following shall count as contributory service:

1. (amended and supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 54/2015, effective 17.07.2015, SG No. 99/2017, effective 1.01.2018) the time during which the persons under Item 1 and Item 9 of Article 4 (1) and Article 4 (10) herein have worked full time according to the statutory hours of work applicable to the said persons, if the social insurance contributions have been remitted or are due on the remuneration received, the remuneration charged in the accounts but not paid, as well as on the remuneration which has not been charged in the accounts, but not less than the minimum contributory income under Item 3 of Article 6 (2) herein for the respective occupation; where the person has worked part time, the contributory service shall count in proportion to the statutory hours of work;

2. (amended, SG No. 100/2010, effective 1.01.2011, SG No. 81/2012, effective 1.09.2012) the time for which social insurance contributions have been remitted or are due on not less than the national minimum wage, for persons under Items 5, 9 and 10 of Article 4(1) and Item 5 of Article 4(3) herein; where the remuneration of persons under Items 5, 9 and 10 of Article 4(1) herein, on which the social insurance contributions have been remitted, is less than the national minimum wage, the contributory service shall count in proportion;

3. (amended, SG No. 112/2003, supplemented, SG No. 98/2016, effective 1.01.2017) the time for which social insurance contributions have been remitted or are due on an amount not less than the minimum contributory income under Item 3 of Article 6 (2) herein for persons under Items 7 and 8 of Article 4 (1) herein, and for persons with regard to which no minimum contributory income has been determined – the minimum wage for the country;

4. (supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 98/2015, effective 1.01.2016, SG No. 98/2016, effective 1.01.2017) the time for which the social security contributions due under Article 6, Paragraph 8 have been remitted by self-secured persons and the social security contributions payable by persons under Article 4a, Paragraph 1 have been remitted;

5. (new, SG No. 108/2009, supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015) the time during which persons under Items 1 to 4 of Article 4(1) herein for whom no minimum contributory income has been determined under Article 6(2)(3) have worked full time according to the statutory hours of work applicable to such persons, if the insurance contributions due on the remuneration received, remuneration charged in the accounts but not paid, as well as remuneration which have not been charged in the accounts, but not less than the minimum contributory income for Bulgaria, have been paid; where the person has worked part time, the insured length of service shall count in proportion to the

statutory hours of work applicable to such person, if insurance contributions on the relevant proportionate part of the minimum salary have been paid or are due.

(2) The following periods shall also count as contributory service without making social insurance contributions:

1. (amended, SG No. 52/2004) the periods of paid and unpaid child-care leave;
2. (amended, SG No. 1/2014, effective 1.01.2014) the periods of paid and unpaid leave for temporary disability, of pregnancy and child-birth leave and of leave upon adoption of a child between 2 and 5 years of age;
3. the periods of unpaid leave up to 30 days during one calendar year;
4. the periods during which the person has received unemployment benefits.
5. (new, SG No. 105/2006, amended, SG No. 109/2008, SG No. 1/2014, effective 1.01.2014) the period during which the self-insured persons, who are insured against disability due to common disease, old age or death, and in respect of common disease and maternity, have received cash benefits for temporary disability, pregnancy and child-birth, child-care and upon adoption of a child between 2 and 5 years of age and the periods of temporary disability, pregnancy, child-birth and child-care and upon adoption of a child between 2 and 5 years of age, during which they were not entitled to cash benefit.

(3) The following time shall furthermore count as contributory service:

1. (amended, SG No. 119/2002, supplemented, SG No. 99/2009, effective 1.01.2010, SG No. 99/2012, effective 1.01.2013) the time during which persons under Items 1, 2, 3 and 4 of Article 4(1) and under Article 4a(1) herein have not worked due to wrongful barring or suspension from work or have been suspended from work and subsequently reinstated in the manner specified in special laws; social insurance contributions for any such period shall be remitted for the account of the social insurance contributor, and in respect of persons under Article 4a(1), for the account of the employer, on the last gross remuneration if the person has not been insured; if the person has been insured on other grounds, the social insurance contributions shall be remitted on the difference between the last gross remuneration and the contributory income for the period, if this income is lower;
2. (amended, SG No. 119/2002, supplemented, SG No. 99/2009, effective 1.01.2010, SG No. 99/2012, effective 1.01.2013) the time during which persons under Items 1, 2, 3 and 4 of Article 4(1) and under Article 4a(1) herein have been unemployed due to dismissal admitted as wrongful by the competent authorities: from the date of the dismissal until the reinstatement of the said persons to work but not later than 14 days of the entry into force of the instrument, by which the wrongfulness of the dismissal is recognised by the corresponding competent authority; social insurance contributions for any such period shall be remitted for the account of the social insurance contributor, and in respect of persons under Article 4a(1), for the account of the employer, on the last gross remuneration if the person has not been insured; if the person has been insured on other grounds, the social insurance contributions shall be remitted on the difference between the last gross remuneration and the contributory income applicable for the period, if this income is lower;
3. (amended, SG No. 15/2013, effective 1.01.2014) the time during which a person dismissed by reason of detention by the authorities has become unemployed as a result of that, when he or she has not been prosecuted, or has been acquitted, or the criminal proceedings have been terminated, or the penal sanction of deprivation of liberty imposed has been admitted as unfounded according to the established procedure owing to the fact that the person did not commit the act or that the act committed does not constitute a criminal offence; social insurance contributions for any such period shall be remitted for the account of the state budget on the last gross remuneration;
4. the time during which the occupational rehabilitee has not worked because the social insurance contributor has not provided suitable work as prescribed by the health authorities; social insurance contributions shall be remitted for any such period for the account of the social insurance contributor on the benefit due;
5. (amended, SG No. 99/2009, effective 1.01.2010) the time during which the person has received a benefit for the time he or she has been unemployed under the Labour Code, the Civil Servants Act and the Higher Education Act; social insurance contributions for this time shall be remitted on the benefit received; the social insurance contributions for factory and office workers shall be distributed as per Articles 6(3)(8) and 6(3)(9) herein.

(4) The contributory service under Items 1 to 4 of Paragraph 3 shall count in accordance with the work category under which the person has been employed prior to the wrongful barring or suspension from work, dismissal, serving the penal sanction of

deprivation from liberty and the time during which the occupational rehabilitee has not worked, if this is more favourable for the person.

(5) (Supplemented, SG No. 100/2011, effective 1.01.2012, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) The social insurance contributions under Paragraph 3 shall be at the rates for the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, and for supplementary compulsory retirement insurance and the Teachers Pension Fund. In the cases specified in Item 5 of Paragraph (3) no social insurance contributions shall be payable for the Teachers Pension Fund.

(6) (Amended, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 15.08.2015, SG No. 99/2017, effective 1.01.2018) The time during which a person has taken care of a disabled person whose working capacity is permanently reduced/type and degree of disability exceeding 90 per cent and who is in permanent need of another person's attendance shall count as contributory service at retirement. The service shall be recognised for the following persons: a spouse, a parent (an adopter) or one of the parents of the mother or father of the disabled person. Contributory service shall be recognised provided that during the respective time the person taking care has not been insured or has not received a personal pension. At retirement, social insurance contributions for the period counting as contributory service shall be remitted by the state budget at the rate for the Pensions Fund on the national minimum wage applicable at the date of granting of a pension.

(7) (Amended, SG No. 15/2013, effective 1.01.2014) The period of conscription or peacetime alternative service and the time during which a non-working mother has taken care of a child until attainment of the age of three years shall count as contributory service at retirement. Social insurance contributions for such periods shall be remitted at the rate for the Pensions Fund for the account of the state budget on the minimum wage applicable at the date of granting of the pension.

(8) (Supplemented, SG No. 109/2008, effective 1.01.2009, repealed, SG No. 61/2015, effective 1.01.2016).

(9) (Repealed, SG No. 61/2015, effective 1.01.2016).

(10) (Repealed, SG No. 61/2015, effective 1.01.2016).

(11) (New, SG No. 119/2002, supplemented, SG No. 98/2016, effective 1.01.2017) The procedure and manner for verification and calculation of contributory service shall be established by an ordinance of the Council of Ministers on a motion by the National Social Security Institute.

Recognition of contributory service via payments of

Article 9a. (New, SG No. 100/2010, effective 1.01.2011) (1) (Amended, SG No. 99/2012, effective 1.01.2013) The following shall be recognised as contributory service for retirement purposes, if not recognised on other grounds:

1. the duration of study of persons with higher or post-secondary non-tertiary education, but for no longer than the duration of study stipulated by the curriculum of the major pursued;

2. the duration of the PhD studies, defined in a statutory instrument for the persons, who have acquired the educational and scientific degree "PhD".

(2) The contributory service for retirement purposes shall also include the period for which persons, having reached the age under Article 68(1) but short of up to 5 years of contributory service to become eligible to receive the pension under Article 68(1), have paid insurance contributions calculated on the basis of the minimum insurance income for self-insured persons, as applicable on the contribution payment date, laid down by the Public Social Insurance Budget Act.

(3) (Amended, SG No. 94/2012, effective 1.01.2013) The insurance contributions under Paragraphs 1 and 2 shall be paid by a bank transfer following submission of declaration under procedure determined by the ordinance, issued by the Minister of Finance under Article 5(6).

(4) (Amended, SG No. 99/2012, effective 1.01.2013) In the cases referred to in Paragraph 2, the shortfall in the contributory length of service shall be assessed as at the date of the application. The pension shall be granted as from the date of the application, after all insurance contributions owed have been paid.

(5) In the case of insurance contributions under Paragraph 1 paid for duration of study shorter than 5 years, the person

concerned may pay insurance contributions under Paragraph 2 for the remainder to 5 years.

(6) (Amended, SG No. 99/2012, effective 1.01.2013) The periods, with respect to which insurance contributions have been paid, shall be regarded as contributory length of service under Paragraphs 1 and 2. The contributions shall be entirely at the expense of the persons and shall be paid on the minimum monthly insurance income for self-insured persons, laid down in the Public Social Insurance Budget Act in the amount, defined for the Pensions Fund for persons born before 1 January 1960, as applicable on the contribution payment date.

Commencement, Duration, Termination and Discontinuation of Social Insurance

(Heading amended, SG No. 100/2010, effective 1.01.2011)

Article 10. (Amended and supplemented, SG No. 64/2000, amended, SG No. 1/2002, supplemented, SG No. 99/2009, effective 1.01.2010) (1) (Previous text of Article 10, SG No. 100/2010, effective 1.01.2011) Social insurance shall commence on the day the persons start the performance of work under Article 4 herein or Article 4a(1) and in respect of which insurance contributions are due or paid and shall continue until termination of the said work.

(2) (New, SG No. 100/2010, effective 1.01.2011) Social insurance shall be discontinued during the periods which are not recognised as contributory service, regardless of the fact that the operations referred to in Article 4 or 4a(1) have not been terminated.

Social Insurance Entitlement of Persons Insured against Common Disease and Maternity, Disability

due to a Common Disease, Old Age or Death, Industrial Accidents and Occupational Diseases, and Unemployment

(Title amended, SG No. 109/2008, effective 1.01.2009)

Article 11. (1) (Amended, SG No. 109/2008, effective 1.01.2009) Persons insured against common disease and maternity, disability due to a common disease, old age or death, industrial accidents and occupational diseases, and unemployment shall be entitled to:

1. cash benefits for:

(a) temporary disability through common disease, employment injury and occupational disease, for sanatorium and resort treatment and urgent medical examination or test, quarantine, suspension from work prescribed by the health authorities, attendance of a sick person or a quarantined family member, urgent accompanying of a sick family member for medical examination, tests or treatment, as well as for care of a healthy child suspended from a children's establishment due to a quarantine at the establishment or of the child;

(b) occupational rehabilitation upon working capacity temporarily reduced by common disease, employment injury or occupational disease;

(c) (amended, SG No. 98/2016, effective 1.01.2017) occupational rehabilitation by reason of pregnancy or breast-feeding, or advanced stage of in-vitro treatment;

(d) pregnancy and child-birth;

(e) child-care;

(f) (new, SG No. 1/2014, effective 1.01.2014) adoption of a child between 2 and 5 years of age;

2. cash allowances for:

(a) disablement by common disease, where there are no grounds for granting a pension;

(b) preventive care and rehabilitation;

(c) technical aids related to the impairment;

3. (new, SG No. 1/2002) unemployment benefits;

4. (renumbered from Item 3, SG No. 1/2002) pensions for:

(a) contributory service and retirement age;

(b) disablement by employment injury or occupational disease;

(c) disablement by common disease.

(2) (Amended, SG No. 1/2002, SG No. 100/2011, effective 1.01.2012) Upon the death of the insured person, his or her spouse, children and parents shall be entitled to a lump-sum allowance and to a survivor pension.

(3) (New, SG No. 1/2002, amended, SG No. 67/2003) The cash allowance for disablement by common disease, where the insured person does not have the required contributory service for granting of a general-sickness invalidity pension, shall amount to a 60-day benefit for temporary disability determined according to Article 41 herein.

Social Insurance Entitlement of Persons Insured against Employment Injury and Occupational Disease

(Heading amended, SG No. 1/2002)

Article 12. (1) (Amended, SG No. 1/2002) Persons insured against employment injury and occupational disease shall be entitled to:

1. cash benefits for temporary disability through employment injury or occupational disease, sanatorium treatment, urgent medical examination, medical tests and/or treatment;

2. cash benefits for preventive care and rehabilitation;

3. employment-injury or occupational-disease invalidity pension;

4. amounts for technical aids related to the impairment.

(2) (Amended, SG No. 1/2002, SG No. 100/2011, effective 1.01.2012) In case of death of the insured person, caused by the employment injury or the occupational disease, his or her spouse, children and parents shall be entitled to a lump-sum allowance and to a survivor pension.

Social Insurance Entitlement of Persons Insured against Disablement by

common disease, Old Age and Death

(Heading amended, SG No. 1/2002)

Article 13. (1) (Amended, SG No. 1/2002) Persons insured against disablement by common disease, old age and death, shall be entitled to:

1. common disease invalidity pension;

2. contributory-service and retirement-age pension;

3. cash allowances for technical aids related to the impairment.

(2) (Amended, SG No. 1/2002, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 98/2016, effective 1.01.2017) Upon the death of the insured person, his or her spouse, children and parents shall be entitled to a lump-sum allowance and to a survivor pension. Upon the death of a secured person, allowances shall be paid if the social security contributions due for the last month, for which the time-period under Article 7, Paragraph 4 has expired, have been paid.

Insurance Entitlement of Persons Insured in respect of Common Disease and Maternity

Article 13a. (New, SG No. 109/2008, effective 1.01.2009) Persons insured in respect of common disease and maternity shall have the right to:

1. cash benefit for:

a) temporary incapacity to work due to a common disease, sanatorium and resort treatment and in case of urgent medical examination or test, quarantine, suspension from work prescribed by the health authorities, attendance of a sick person or a quarantined family member, an urgent accompanying of a sick family member for medical examination, tests or treatment, as well as for care of a healthy child suspended from a children's establishment due to a quarantine at the establishment or of the child;

b) occupational rehabilitation in case of temporarily reduced working capacity due to a common disease;

c) (amended, SG No. 98/2016, effective 1.01.2017) occupational rehabilitation by reason of pregnancy or breast-feeding, or advanced stage of in-vitro treatment;

d) pregnancy and childbirth;

e) child-care;

(f) (new, SG No. 1/2014, effective 1.01.2014) adoption of a child between 2 and 5 years of age;

2. cash allowances for:

a) disability due to a common disease, if there are no grounds for granting a pension;

b) prevention of diseases and rehabilitation;

c) technical aids related to the impairment.

Insurance Entitlement of Persons Insured against Unemployment

Article 13b. (New, SG No. 109/2008, effective 1.01.2009) Those insured with the Unemployment Fund shall be entitled to unemployment cash benefits.

Cash Allowances for Preventive Care and Rehabilitation

Article 13c. (New, SG No. 105/2006, renumbered from Article 13a, SG No. 109/2008, effective 1.01.2009) (1) (Amended, SG No. 109/2008, effective 1.01.2009) Persons insured in respect of common disease, maternity and/or industrial accidents and occupational disease shall be entitled to cash allowances for prevention of diseases and rehabilitation, provided insurance contributions on their behalf were made or are due to be made for a period of 6 calendar months preceding the month in which the disease prevention and rehabilitation activities are performed. The period of 6 calendar months also includes the duration:

1. of paid and unpaid leave of absence for raising a child;

2. (supplemented, SG No. 1/2014, effective 1.01.2014) of paid and unpaid leaves of absence for temporary incapacity to work and for pregnancy and childbirth, as well as leave upon adoption of a child between 2 and 5 years of age;

3. of unpaid leave of absence of up to 30 business days in any given calendar year;

4. (amended, SG No. 1/2014, effective 1.01.2014) of the period in which self-insured persons who insure themselves in respect of common disease and maternity have received cash benefits for temporary incapacity to work, pregnancy, childbirth, raising and upon adoption of a child between 2 and 5 years of age a child and the periods of temporary incapacity to work,

pregnancy, childbirth, raising a child and upon adoption of a child between 2 and 5 years of age, during which they were not entitled to benefits.

(2) The requirement for remitted or due social insurance contributions for a period of six calendar months under Paragraph 1 shall not apply to persons with disabilities resulting from an employment injury or occupational disease sustained.

(3) (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 98/2015, effective 1.01.2016) Entitlement to the allowances referred to in Paragraph 1 shall furthermore vest in the persons receiving a personal invalidity pension if they have not attained the age referred to in Article 68 (1) herein.

(4) The conditions for enjoyment and payment of cash allowances for preventive care and rehabilitation to the persons referred to in Paragraphs (1) and (3), as well as the procedure for selection of legal persons as providers of such activity, shall be established by an ordinance of the Supervisory Board of the National Social Security Institute.

Amount of the lump-sum allowance in the event of death of an insured person

Article 13d. (New, SG No. 100/2011, effective 1.01.2012) The amount of the lump-sum allowance in the event of death of an insured person under Article 11 (2), Article 12 (2) and Article 13 (2) shall be specified every year in the Public Social Insurance Budget Act. The allowance shall be allocated in equal shares among the spouse, children and parents of the insured person.

Working Capacity Evaluation

Article 14. (Supplemented, SG No. 1/2002, repealed, SG No. 70/2004).

Working Capacity Evaluation Authorities

Article 15. (Repealed, SG No. 70/2004).

Appealing of Decisions of Evaluation Authorities

Article 16. (Amended, SG No. 1/2002, supplemented, SG No. 67/2003, repealed, SG No. 70/2004).

Entry into Effect of Decisions

Article 17. (Repealed, SG No. 70/2004).

Chapter Two

FINANCIAL STRUCTURE

Social Insurance Funds

Article 18. (1) (Previous text of Article 18, SG No. 112/2004) Public social insurance resources shall be allocated in:

1. a Pensions Fund;
 2. (new, SG No. 61/2015, effective 1.01.2016) the Article 69 Persons' Pension Fund;
 3. (new, SG No. 1/2002, renumbered from Item 2, SG No. 61/2015, effective 1.01.2016) a Non-Work-Contingent Pensions Fund;
 4. (renumbered from Item 2, SG No. 1/2002, renumbered from Item 3, SG No. 61/2015, effective 1.01.2016) an Employment Injury and Occupational Disease Fund;
 5. (renumbered from Item 3, SG No. 1/2002, renumbered from Item 4, SG No. 61/2015, effective 1.01.2016) a common disease and Maternity Fund;
 6. (new, SG No. 1/2002, renumbered from Item 5, SG No. 61/2015, effective 1.01.2016) an Unemployment Fund.
- (2) (New, SG No. 112/2004, repealed, SG No. 109/2008, effective 1.01.2009).

Budget of Funds

Article 19. (1) (Supplemented, SG No. 1/2002) The National Assembly shall pass a Public Social Insurance Budget Act which shall include a consolidated budget of public social insurance, the budgets of the funds under Article 18 herein and the budget of the National Social Security Institute, and shall be effective for a period of one calendar year.

(2) The draft Public Social Insurance Budget Act shall be prepared by the National Social Security Institute and shall be presented to the Council of Ministers for coordination together with the draft State Budget Act. The Ministry of Finance shall provide the National Social Security Institute with the requisite indicators for elaboration of the draft public social insurance budget after adoption of the macroeconomic framework of the state budget.

(3) The draft Act under Paragraph 2 shall be elaborated according to a complete budget classification for the state budget.

(4) (Amended, SG No. 112/2003) The Public Social Insurance Budget Act shall provide for a general reserve of the funds under Article 18 herein, established through deductions at a rate established in the Public Social Insurance Budget Act, on the basis of a social insurance technical plan. Revenue from principal under deficit deeds shall also be credited to the said reserve.

(5) The draft Public Social Insurance Budget Act shall be debated by the National Assembly simultaneously with the draft State Budget Act.

(6) In case the public social insurance budget is not adopted by the National Assembly until the beginning of the budget year, social insurance revenues shall be collected and social insurance expenditures shall be incurred in accordance with the effective statutory instruments, and up to one-twelfth of the expenditures provided for in the budget for the preceding year shall be expended monthly on maintenance of the National Social Security Institute authorities.

National Social Security Institute Budget

Article 20. (1) (Amended, SG No. 112/2004) The budget of the National Social Security Institute shall be part of the consolidated budget of public social insurance and shall be elaborated by items of the budget classification.

(2) (Amended and supplemented, SG No. 1/2002, supplemented, SG No. 112/2003, amended and supplemented, SG No. 112/2004, amended, SG No. 104/2005) The resources in the budget of the National Social Security Institute shall originate from:

1. (supplemented, SG No. 98/2015, effective 1.01.2016, amended, SG No. 98/2016, effective 1.01.2017) a percentage of the revenue from social security contributions to the Pensions Fund, the Pensions Fund for persons under Article 69, the General Sickness and Maternity Fund, the Employment Injury and Occupational Disease Fund, and the Unemployment Fund;
2. (amended, SG No. 106/2013, effective 1.01.2014) interest on overdue social insurance contributions paid in or compulsorily collected, and on misaffected social insurance expenditure;

3. proceeds from fines, pecuniary penalties and penalty interest;
4. a percentage of the revenues of Fund "Guaranteed Claims of the Factory and Office Workers" for the activities under Article 13 of the Act on Factory and Office Workers' Claims Guaranteed in the Event of Their Employer's Bankruptcy;
5. (amended, SG No. 107/2014, effective 1.01.2015) proceeds from the sale of social insurance cards and standard forms endorsed by the Governor of the National Social Security Institute;
6. proceeds from fees for certification of transcripts of documents issued by the National Social Security Institute;
7. proceeds from fees for issuance of certificates;
8. income and revenue from property and non-tax revenue;
9. (repealed, SG No. 106/2013, effective 1.01.2014);
10. loans;
11. (amended, SG No. 15/2013, effective 1.01.2014) subsidies (transfers) from the state budget;
12. (new, SG No. 113/2007, repealed, SG No. 109/2008, effective 1.01.2009).

(3) (Effective 1.01.2001, supplemented, SG No. 112/2004, amended, SG No. 104/2005, supplemented, SG No. 113/2007) The expenditures and transfers of the budget of the National Social Security Institute shall be allocated for:

1. maintenance of the activities concerning public social insurance and the Act on Factory and Office Workers' Claims Guaranteed in the Event of Their Employer's Bankruptcy;
2. capital expenditures on acquisition of tangible fixed assets and overhaul, related to the overall activity of the National Social Security Institute;
3. settlement of obligations under loans;
4. (new, SG No. 113/2007, repealed, SG No. 109/2008, effective 1.01.2009).

(4) (Amended, SG No. 104/2005) The percentages under Items 1 and 4 of Paragraph 2 shall be determined by the Public Social Insurance Budget Act.

(5) The expenditures under Paragraph 3 shall be endorsed by the Supervisory Board of the National Social Security Institute on a motion by the Governor.

(6) (New, SG No. 104/2005, amended, SG No. 109/2008, effective 1.01.2009, SG No. 106/2013, effective 1.01.2014) The revenue referred to in Items 2 to 8 of Paragraph 2 herein shall be credited as revenue from own sources to the budget of the National Social Insurance Institute.

(7) (New, SG No. 104/2005, amended, SG No. 109/2008, repealed, SG No. 38/2012, effective 1.07.2012).

Teachers Pension Fund

Article 20a. (New, SG No. 61/2015, effective 1.01.2016) (1) The annual budget of the Teachers Pension Fund shall be adopted along with the Public Social Insurance Budget Act for the relevant year in the form of an appendix thereto and shall not be included in the consolidated public social insurance budget.

(2) If the Public Social Insurance Budget Act for the relevant year is not adopted by the National Assembly prior to the beginning of the relevant year, the revenues of the Teachers Pension Fund shall be collected - and expenditure shall be incurred - pursuant to the applicable legislation.

(3) The funds accrued in the Teachers Pension Fund shall be disbursed on payment of pensions and supplements according to Article 69c herein.

(4) Any temporarily idle resources of the Teachers Pension Fund may be invested under the terms and according to the procedure established by Article 28 herein.

(5) The Governor of the National Social Security Institute shall be a first-level spending unit for the resources of the Teachers Pension Fund, and the directors of local divisions of the National Social Security Institute shall be second-level spending units.

(6) (New, SG No. 98/2016, effective 1.01.2017) Administrative, technical, accounting, legal and information services for the Teachers' Pension Fund shall be provided by the National Social Security Institute.

Pensions Fund Revenues

Article 21. (Amended, SG No. 112/2004) The resources of the Pensions Fund shall be raised from:

1. social insurance contributions from social insurance contributors, insured persons and self-insured persons;
2. social insurance contributions and revenue as provided for by other laws for social insurance against disablement by common disease, old age and death;
3. (amended, SG No. 1/2002, SG No. 67/2003, effective 1.01.2003, SG No. 98/2015, effective 1.01.2016) amounts from the state budget intended for performance of social insurance of persons under Items 2 of Article 4 (1) and Article 9 (6) herein and amounts from the judiciary budget for persons under Item 3 of Article 4 (1) herein;
4. (amended, SG No. 1/2002, SG No. 112/2004, SG No. 109/2008, SG No. 15/2013, effective 1.01.2014, SG No. 61/2015, effective 1.01.2016) transfers from the state budget provided for in the Public Social Insurance Budget Act for the relevant year;
5. (repealed, SG No. 112/2004, new, SG No. 109/2008, amended, SG No. 15/2013, effective 1.01.2014, repealed, SG No. 61/2015, effective 1.01.2016);
6. (supplemented, SG No. 1/2002, repealed, SG No. 112/2003);
7. fees, as determined by a rate schedule by the Council of Ministers;
8. interest and dividends;
9. donations and bequests;
10. (repealed, SG No. 1/2002);
11. other sources.

Pensions Fund Expenditures

Article 22. (Supplemented, SG No. 113/2007) The resources of the Pensions Fund shall be disbursed and transferred on:

1. (amended, SG No. 1/2002) payment of contributory-service and retirement-age pensions, common disease invalidity pensions, survivor pensions and supplements thereto;
2. (supplemented, SG No. 1/2002) updating, indexation and compensation of pensions under Item 1;
3. other expenditures related to retirement insurance;
4. (new, SG No. 1/2002, amended, SG No. 113/2007, repealed, SG No. 109/2008, effective 1.01.2009);
5. (new, SG No. 105/2006) allowances for preventive care and rehabilitation.

Revenues to the Article 69 Persons' Pension Fund

Article 22a. (New, SG No. 1/2002, supplemented, SG No. 12/2004, amended, SG No. 112/2004, supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 99/2012, effective 1.01.2013, SG No. 15/2013, effective 1.01.2014, SG No. 61/2015, effective 1.01.2016) The resources of the Article 69 Persons' Pension Fund shall be raised from:

1. insurance contributions for the persons under Article 69;
2. transfers provided for in the Public Social Insurance Budget Act for the relevant year;
3. interest and dividends.

Expenditures from the Article 69 Persons' Pension Fund

Article 22b. (New, SG No. 1/2002, amended, SG No. 12/2004, supplemented, SG No. 105/2006, SG No. 99/2009, effective 1.01.2010, amended, SG No. 99/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016) The resources of the Article 69 Persons' Pension Fund shall be spent on:

1. payment of contributory-service and retirement-age pensions, common disease disability pensions and supplements thereto to the persons under Article 69;
2. updating the pensions referred to in Item 1;
3. (new, SG No. 98/2015, effective 1.01.2016) aid for prevention of diseases and rehabilitation.

Non-Work-Contingent Pensions Fund Revenues

Article 22c. (New, SG No. 61/2015, effective 1.01.2016) The resources in the Non-Work-Contingent Pensions Fund shall be raised from:

1. transfers from the state budget for:
 - (a) payment of pensions for which social insurance contributions are not due and for indexation, compensations and supplements thereto;
 - (b) supplements to pensions of war veterans;
 - (c) supplements under Article 84 herein, determined by pensions under Littera (a);
 - (d) supplements to pensions determined by the Political and Civil Rehabilitation of Repressed Persons Act;
2. fees, as determined by a rate schedule by the Council of Ministers;
3. interest and dividends;
4. donations and bequests.

Non-Work-Contingent Pensions Fund Expenditures

Article 22d. (New, SG No. 61/2015, effective 1.01.2016) (1) The resources of the Non-Work-Contingent Pensions Fund shall be disbursed for payment of:

1. military disability pensions;
2. civil disability pensions;
3. social old-age pensions;

4. social disability pensions;
5. special merit pensions;
6. person-specific pensions;
7. supplements to pensions of war veterans;
8. supplements to pensions under the Political and Civil Rehabilitation of Repressed Persons Act;
9. supplements under Article 84 herein, determined by pensions for which social insurance contributions are not due;
10. indexations and compensations to the pensions and supplements under Items 1 to 9;
11. benefits for preventive care and rehabilitation.

(2) The resources of the Non-Work-Contingent Pensions Fund shall furthermore be disbursed for payment of pensions for which social insurance contributions are not due under the Pensions Act and Social Insurance Act as superseded, as well as for indexations, compensations and supplements thereto.

Employment Injury and Occupational Disease Fund Revenues

Article 23. (1) The revenues of the Employment Injury and Occupational Disease Fund shall be raised from:

1. social insurance contributions;
2. (amended, SG No. 67/2003, effective 1.01.2003) amounts from the state budget for social insurance of persons under Items 2 and 4 of Article 4 (1) herein and amounts from the judiciary budget for persons under Item 3 of Article 4 (1) herein;
3. revenues as provided for by other laws for social insurance against employment injury and occupational disease;
4. (repealed, SG No. 112/2004);
5. (supplemented, SG No. 1/2002, repealed, SG No. 112/2003);
6. fees, as determined by a rate schedule of the Council of Ministers;
7. interest and dividends;
8. donations and bequests;
9. other sources.

Employment Injury and Occupational Disease Fund Expenditures

Article 24. The resources of the Employment Injury and Occupational Disease Fund shall be disbursed for:

1. payment of cash benefits, pensions and allowances;
2. updating, indexation and compensation of cash benefits, pensions and allowances;
3. activities for prevention of employment injuries and occupational diseases;
4. (new, SG No. 105/2006) detection of occupational diseases;
5. (renumbered from Item 4, SG No. 105/2006) technical aids related to the impairment;
6. (renumbered from Item 5, SG No. 105/2006) other expenditures related to social insurance against employment injury and occupational disease.

Common disease and Maternity Fund Revenues

Article 25. The revenues of the common disease and Maternity Fund shall be raised from:

1. social insurance contributions;
2. (amended, SG No. 67/2003, effective 1.01.2003) amounts from the state budget for social insurance of persons under Items 2 and 4 of Article 4 (1) herein and amounts from the judiciary budget for persons under Item 3 of Article 4 (1) herein;
3. revenues as provided for by other laws for social insurance against common disease and maternity;
4. (new, SG No. 1/2002, repealed, SG No. 112/2004);
5. (renumbered from Item 4, SG No. 1/2002, repealed, SG No. 112/2004);
6. (renumbered from Item 5, SG No. 1/2002, repealed, SG No. 112/2003);
7. (renumbered from Item 6, SG No. 1/2002) fees, as determined by a rate schedule of the Council of Ministers;
8. (renumbered from Item 7, SG No. 1/2002) interest and dividends;
9. (renumbered from Item 8, SG No. 1/2002) donations and bequests;
10. (renumbered from Item 9, SG No. 1/2002) other sources.

Common disease and Maternity Fund Expenditures

Article 26. The resources of the common disease and Maternity Fund shall be disbursed for:

1. payment of cash benefits and allowances;
2. updating, indexation and compensation of cash benefits, pensions and allowances;
3. financing of activities for reduction of the incidence of general sicknesses;
4. provision of technical aids;
5. (new, SG No. 105/2006) resources under the Maternity Support Programme;
6. (new, SG No. 1/2002, repealed, SG No. 112/2004, renumbered from Item 5, SG No. 105/2006) other expenditures related to social insurance against common disease and maternity;
7. (new, SG No. 1/2002, repealed, SG No. 112/2004);
8. (new, SG No. 1/2002, repealed, SG No. 112/2004).

Unemployment Fund Revenues

Article 26a. (New, SG No. 1/2002) The revenues of the Unemployment Fund shall be raised from:

1. social insurance contributions;
2. (repealed, SG No. 112/2003);
3. (amended, SG No. 35/2009, effective 12.05.2009, SG No. 16/2010, effective 26.02.2010) action grants from the state budget for benefits under Article 230 and Article 231(1) of the Republic of Bulgaria Defence and Armed Forces Act;

4. interest and dividends;
5. donations and bequests;
6. other sources.

Expenses for the "Unemployment" Fund

Article 26b. (New, SG No. 1/2002, amended, SG No. 113/2007, SG No. 109/2008, effective 1.01.2009, SG No. 35/2009, effective 12.05.2009, SG No. 16/2010, effective 26.02.2010) The resources of the Unemployment Fund shall be disbursed and transferred for payment of unemployment benefits, benefits under Article 230 and Article 231(1) of the Republic of Bulgaria Defence and Armed Forces Act.

Short-Term Interest-Free Loans to Funds

Article 27. (Amended, SG No. 119/2002, SG No. 15/2013, effective 1.01.2014) In the event of a temporary deficit of resources in the funds for payment of urgent social insurance payments, short-term interest-free loans may be contracted from the state budget with authorization from the Minister of Finance on a motion by the Governor of the National Social Security Institute, as well as loans from funds of social purpose up to the amount of their reserves, with authorization from the Minister of Finance and the Minister of Labour and Social Policy, on a motion by the Supervisory Board of the National Social Security Institute.

Investment of Idle Resources

Article 28. (Supplemented, SG No. 64/2000, amended, SG No. 1/2002) The temporarily idle resources in the public social insurance funds may be invested in deposit accounts with the Bulgarian National Bank or for acquisition, on the primary market or through the Ministry of Finance, of government securities issued by the Bulgarian Government.

Banking Services

Article 29. (Amended, SG No. 1/2002) (1) The banks servicing accounts of the National Social Security Institute shall be designated by the Ministry of Finance and the Bulgarian National Bank. The Supervisory Board of the National Social Security Institute shall select the banks entitled to service the accounts of the National Social Security Institute from amongst the banks designated by the Bulgarian National Bank and the Ministry of Finance.

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

Budget Implementation

Article 30. (1) The implementation of the public social insurance budget shall be effected by the National Social Security Institute.

(2) The Governor of the National Social Security Institute shall be a first-level spending unit for the public social insurance budget.

(3) The directors of the local divisions of the National Social Security Institute shall be second-level spending units for the public social insurance budget at the said regional offices.

Article 31. (1) The annual report on the implementation of the public social insurance budget shall be prepared by the National Social Security Institute and shall be laid before the National Assembly by the Governor of the said Institute for adoption simultaneously with the report on the implementation of the state budget.

(2) The National Assembly resolution on adoption of the report on the implementation of the public social insurance budget shall be promulgated in the State Gazette.

Chapter Three

GOVERNANCE

Functions of Minister of Labour and Social Policy

(Heading amended, SG No. 100/2010, effective 1.01.2011)

Article 32. (Amended, SG No. 100/2010, effective 1.01.2011) The Minister of Labour and Social Policy shall develop, coordinate and implement the government policy related to public social insurance.

National Social Security Institute

Article 33. (1) Public social insurance shall be governed by the National Social Security Institute. The said Institute shall be accountable for the operation thereof to the National Assembly.

(2) (Supplemented, SG No. 100/2010, effective 1.01.2011, amended, SG No. 61/2015, effective 15.08.2015, SG No. 98/2016, effective 1.01.2017) The National Social Security Institute shall be a legal entity with head office in Sofia. The structure and organisation of the National Social Security Institute shall be established in the Rules referred to in Item 5 of Article 36, Paragraph 1.

(3) (New, SG No. 38/2012, effective 1.07.2012) The activities of the National Social Security Institute shall be carried out by an administration, consisting of civil servants and employees hired under service legal relationships. Article 107a of the Labour Code shall apply to employees, hired under service legal relationships.

(4) (New, SG No. 38/2012, effective 1.07.2012) The Administration Act shall apply to the administration of the National Social Security Institute to the extent not provided for otherwise by this Code.

(5) (New, SG No. 120/2002, repealed, SG No. 105/2005, renumbered from Paragraph 3, SG No. 38/2012, effective 1.07.2012) The National Social Security Institute shall:

1. implement the public social insurance budget;
2. (amended, SG No. 105/2005) ascertain and collect the public social insurance claims from incorrectly paid social insurance expenditures;
3. (amended, SG No. 1/2002, repealed, SG No. 105/2005);
4. (supplemented, SG No. 105/2005) control compliance with social insurance legislation in connection with the activities assigned thereto;
5. organize the activity concerning the ascertainment of administrative violations and administrative sanctions;
6. (supplemented, SG No. 1/2002, amended, SG No. 106/2013, effective 1.01.2014) effect payment of pensions, benefits

and allowances under this Code, as well as of guaranteed claims under the Act on the Factory and Office Workers' Claims Guaranteed in the Event of Their Employer's Bankruptcy;

7. (amended, SG No. 106/2013, effective 1.01.2014) maintain an information system on the insured persons, social insurance contributors and self-insured persons based on the data provided by the National Revenue Agency, and on the employment injuries and occupational diseases;

8. carry out activities concerning the preparation and implementation of international treaties in the sphere of public social insurance;

9. (new, SG No. 1/2002) issue an information newsletter;

10. (new, SG No. 120/2002, amended, SG No. 105/2005, SG No. 106/2013, effective 1.01.2014) maintain an information system on the payment of pensions, benefits and allowances under this Code and on the guaranteed claims under the Act on the Factory and Office Workers' Claims Guaranteed in the Event of Their Employer's Bankruptcy;

11. (new, SG No. 68/2003, supplemented, SG No. 104/2005, effective 27.12.2005, SG No. 107/2014, effective 1.01.2015) conclude contracts for provision of information, information products for information processing and for social insurance activities under terms and conditions and in accordance with a procedure defined by the Governor of the National Social Security Institute;

12. (new, SG No. 106/2013, effective 1.01.2014) develop and maintain an electronic register of the sick leave certificates and the judgements related to any appeals against them;

13. (new, SG No. 98/2016, effective 1.01.2017) notify the persons, who have not been granted a contributory service and retirement age pension, not later than 6 months before they reach the age giving them entitlement to contributory service and retirement-age pension under Article 68, Paragraph 1, of the conditions under which they can retire during the next calendar year.

(6) (Repealed, SG No. 105/2005, new, SG No. 41/2007, amended, SG No. 99/2009, effective 1.01.2010, renumbered from Paragraph 4, SG No. 38/2012, effective 1.07.2012) The information necessary for performance of the functions and exercise of the powers of the National Social Security Institute shall be made available at no charge by the relevant central-government and municipal authorities, including all data from the National System of Civil Registration and Administrative Services to the Public (ESGRAON), and from the National Statistical Institute and medical treatment facilities.

(7) (New, SG No. 109/2013, effective 1.01.2014) The National Social Security Institute shall provide to the Executive Director of the National Revenue Agency information regarding any remunerations under Article 143h(1), point 4 of the Tax and Social-Insurance Procedure Code, paid/charged to persons, who are local persons of another European Union Member State not later than 30th day of April of the year, following the year of payment/charging of such remunerations, under the procedure of Article 143h(7) of the Tax and Social-Insurance Procedure Code.

Governing Bodies

Article 34. The National Social Security Institute shall be governed by:

1. the Supervisory Board;
2. the Governor and Deputy Governor.

Supervisory Board

Article 35. (1) (Supplemented, SG No. 112/2002, amended, SG No. 67/2003, SG No. 98/2016, effective 1.01.2017) The Supervisory Board shall consist of one representative of each representative organisation of factory and office workers and of employers recognised according to the Labour Code and an equal number of representatives designated by the Council of Ministers, of whom one shall mandatorily be the Deputy Executive Director of the National Revenue Agency.

- (2) The representatives of the organizations of factory and office workers and of employers under Paragraph 1 shall be designated by the governing bodies of the said organizations at a national level.
- (3) (New, SG No. 1/2002) When the representatives organizations of factory and office workers or of employers are of a different number, the quota of the organizations which are fewer in number shall be complemented up to the quota of the organizations which are greater in number by agreement between the organizations concerned.
- (4) (New, SG No. 1/2002) If no agreement under Paragraph 3 is reached, the quota of nationally representative organizations which are fewer in number shall not be complemented the quantitative composition of the Supervisory Board shall be determined solely according to the procedure established by Paragraph 1.
- (5) (Renumbered from Paragraph 3, SG No. 1/2002) The term of office of the Supervisory Board shall be four years.
- (6) (Renumbered from Paragraph 4, SG No. 1/2002) The list naming the members of the Supervisory Board, as well as all changes in the said list, shall be promulgated in the State Gazette by the Chairperson of the Board.
- (7) (Renumbered from Paragraph 5, SG No. 1/2002) The members of the Supervisory Board shall elect from amongst their number of Chairperson on a rotation basis.
- (8) (Renumbered from Paragraph 6, SG No. 1/2002) The Supervisory Board shall be convened to meetings by the Chairperson or upon requisition by one-third of the members thereof.
- (9) (Renumbered from Paragraph 7, SG No. 1/2002) For the valid transaction of business at any meeting of the Supervisory Board, at least one-half of the members thereof shall have to be present thereat. Decisions shall require the affirmative vote of more than one-half of the total number of members of the Supervisory Board.
- (10) (Renumbered from Paragraph 8, SG No. 1/2002) The Governor of the National Social Security Institute shall attend the meetings of the Supervisory Board in a non-voting capacity.

Supervisory Board Functions

Article 36. (1) (Previous text of Article 36, SG No. 41/2007) The Supervisory Board shall:

1. endorse the principal guidelines for the activity of the National Social Security Institute;
2. (amended, SG No. 61/2015, effective 1.01.2016) endorse the draft annual budgets of public social insurance and of the Teachers Pension Fund, and the reports thereunder;
3. exercise control over the activity of the National Social Security Institute, the Governor's Board, the Governor and Deputy Governor;
4. endorse drafts of statutory instruments on public social insurance before the said drafts are laid before the competent government authorities for adoption;
5. (supplemented, SG No. 106/2013, effective 1.01.2014) adopt Rules of Organization and Operation of the National Social Security Institute, and Rules of Procedure of the Supervisory Board. The Rules of Organisation and Operation of the National Social Security Institute shall be published by the Chairperson of the Supervisory Board in the State Gazette;
6. (supplemented, SG No. 1/2002, amended, SG No. 105/2005) grant consent to a rescheduling of claims for compulsory social insurance contributions to the public social insurance funds in the cases covered under Articles 184, 195 and 188 of the Tax and Social-Insurance Procedure Code;
7. (amended, SG No. 67/2003, supplemented, SG No. 105/2005, amended and supplemented, SG No. 99/2017, effective 1.01.2018) take a decision on deletion of incollectible receivables regarding the receivables due to the National Social Security Institute upon completion of the insurers' bankruptcy proceedings;
8. make decisions to acquire and dispose of the property of the National Social Security Institute in excess of an amount determined by the Rules of Organization and Operation of the National Social Security Institute;

9. make decisions to disburse the resources of the reserve under the public social insurance budget;
 10. make decisions to acquire corporeal immovables by the National Social Security Institute against obligations to public social insurance funds;
 11. (repealed, SG No. 99/2009, effective 1.01.2010);
 12. (new, SG No. 107/2014, effective 1.01.2015) determine by a decision the performers of activities relating to prophylactics and rehabilitation for the calendar year; the decision is not subject to appeal.
- (2) (New, SG No. 41/2007, supplemented, SG No. 42/2009, amended, SG No. 107/2014, effective 1.01.2015) The members of the Supervisory Board shall not receive a remuneration for attendance of meetings of the Board.

Governor and Deputy Governor

Article 37. (1) (Supplemented, SG No. 98/2016, effective 1.01.2017) The Governor and the Deputy Governor of the National Social Security Institute shall be elected by the National Assembly for a term of office of four years. Not later than three months prior to the expiry of the term of office of the Governor and the Deputy Governor, the National Assembly shall elect a new Governor and a new Deputy Governor. In the event that no new election has been held before the expiry of the term of office of the Governor and the Deputy Governor, they shall continue exercising their powers until such an election is held.

(2) The Governor of the National Social Security Institute shall act on behalf of the Institute, shall organize and direct its activity, and shall represent it in dealings with all natural and legal persons in Bulgaria and abroad.

(3) (Amended, SG No. 100/2011, effective 1.01.2012) In the absence of the Governor, the functions thereof shall be performed by the Deputy Governor. The Deputy Governor may perform functions assigned thereto by the Governor.

(4) (Supplemented, SG No. 42/2009, amended, SG No. 97/2010, effective 10.12.2010) The Governor and the Deputy Governor may be removed from office prior to expiry of the term for which they are elected if they are convicted of a premeditated crime at public law by an effective sentence upon entry into force of an act, which establishes conflict of interests in accordance with the Conflict of Interest Prevention and Ascertainment Act, if they systematically breach their duties, if they are unable to perform their duty for a period longer than six months, or if they have tendered a resignation before the National Assembly.

(5) The Governor shall:

1. implement day-to-day management of the National Social Security Institute;
2. (supplemented, SG No. 105/2005) endorse instructions, standard forms and other documents mandatory for all natural and legal persons in Bulgaria in connection with the activities assigned to the National Social Security Institute;
3. lay before the Supervisory Board for approval:
 - (a) (amended, SG No. 61/2015, effective 1.01.2016) the draft budgets of public social insurance and of the Teachers Pension Fund;
 - (b) (amended, SG No. 61/2015, effective 1.01.2016) the draft reports on the implementation of the budgets of public social insurance and of the Teachers Pension Fund;
 - (c) drafts of statutory instruments on public social insurance;
 - (d) draft of Rules of Organization and Operation of the National Social Security Institute;
 - (e) drafts of decisions to disburse resources of the reserve under the public social insurance budget;
4. open and close divisions of the National Social Security Institute and endorse the structure and budget thereof;
5. conclude transactions for disposition of the property of the National Social Security Institute up to an amount determined by

the Rules of Organization and Operation of the National Social Security Institute;

6. (supplemented, SG No. 1/2002, amended, SG No. 105/2005) grant consent to a rescheduling of claims for compulsory social insurance contributions to the public social insurance funds in the cases covered under Articles 184, 185 and 188 of the Tax and Social-Insurance Procedure Code;

7. endorse the distribution of capital investments for stewardship of the property of the National Social Security Institute;

8. (new, SG No. 64/2000) endorse and declare the contributory income under Article 70 herein;

9. (new, SG No. 104/2005, amended, SG No. 105/2006) set the prices of the services and activities covered under Items 5 to 8 of Article 20 (2) herein;

10. (new, SG No. 38/2012, effective 1.07.2012) exercise the functions of:

a) appointing body in regard to civil servants;

b) employer in regard to employees, hired under service legal relationships.

(6) (New, SG No. 41/2007) The Governor of the National Social Security Institute shall receive a basic monthly remuneration equivalent to the basic monthly remuneration of a chairperson of a standing parliamentary committee. The Deputy Governor of the National Social Security Institute shall receive a basic monthly remuneration equivalent to the basic monthly remuneration of a National Representative.

Governor's Board

Article 38. (1) (Amended and supplemented, SG No. 100/2011, effective 1.01.2012, amended, SG No. 106/2013, effective 1.01.2014) In his or her activity, the Governor shall be assisted by a Governor's Board of the National Social Security Institute. The composition of this Board shall be set out in the Rules of Organisation and Operation of the National Social Security Institute." The Governor shall convene and chair the meetings of the Governor's Board.

(2) For the valid transaction of business at any meeting of the Governor's Board, two-thirds of the members thereof shall have to be present thereat. Decisions shall be made by simple majority.

(3) (Supplemented, SG No. 38/2012, effective 1.07.2012) The Governor's Board shall propose to the Governor draft decisions in connection with the powers vested in the Governor under Items 1-9 of Article 37 (5) herein.

Eligibility Requirements for Supervisory Board Members, Governor and Deputy Governor

Article 39. (1) (Renumbered from Paragraph 1, SG No. 42/2009, previous text of Article 39, SG No. 103/2017, effective 1.01.2018) The following shall be ineligible for membership of the Supervisory Board, for the office of Governor and Deputy Governor of the National Social Security Institute:

1. any persons who are disqualified from holding a managerial position, a position of property accountability;

2. any persons who are members of managing or supervisory bodies of other social insurance funds;

3. any persons convicted of a premeditated crime;

4. any persons who have been members of managing bodies of legal persons dissolved through bankruptcy and leaving any creditors unsatisfied;

5. (supplemented, SG No. 42/2009) any persons who are domestic partners or lineal or collateral relatives up to the fourth degree of consanguinity or affines up to the fourth degree of affinity to any members of the Supervisory Board, the Governor and the Deputy Governor.

(2) (New, SG No. 103/2017, effective 1.01.2018) The circumstance under Item 3 of Paragraph (1) shall be established ex

officio.

Chapter Four

BENEFITS

Section I

Benefits for Temporary Disability and Occupational Rehabilitation

Entitlement to Benefits

Article 40. (1) (Supplemented, SG No. 105/2006, amended, SG No. 109/2008, SG No. 100/2010, effective 1.01.2011) Persons insured in respect of common disease and maternity shall have the right to cash benefits instead of remuneration for the duration of the leave of absence due to temporary incapacity to work and in case of occupational rehabilitation, provided that they have at least 6 months of insured length of service, in the course of which they have been insured in respect of such risk. The requirement for 6 months of insured length of service shall not apply to those under the age of 18.

(2) (Amended, SG No. 112/2003, SG No. 109/2008, effective 1.01.2009) Persons insured against industrial accidents and occupational disease shall have the right to cash benefits for an industrial accident or occupational disease, and to benefits for occupational rehabilitation in such cases, regardless of the duration of their insured length of service.

(3) (Supplemented, SG No. 1/2002, amended, SG No. 38/2005, SG No. 105/2006, SG No. 109/2008, supplemented, SG No. 99/2009, effective 1.01.2010, SG No. 100/2010, effective 1.01.2011, amended, SG No. 106/2013, effective 1.01.2014) The cash benefits for temporary disability, occupational rehabilitation, pregnancy and child-birth and child-care and the cash allowances under public social insurance shall be calculated and paid by the National Social Security Institute to the insured persons by crediting a personal bank account declared by the said persons. If the person is not entitled to benefit or allowance, the official who is entrusted with direction of the payment of the benefits and allowances, or another official who has been appointed by the head of the local division of the National Social Security Institute, shall issue a directive on refusal. The said directive shall be revoked if the person or the social insurance contributor presents new or additional evidence establishing the entitlement to benefit or allowance within the prescription period referred to in Article 115 (2) herein.

(4) (New, SG No. 100/2010, effective 1.01.2011, amended, SG No. 107/2014, effective 1.01.2015) The official under Paragraph 3 shall issue an order to stop the proceedings for granting or discontinuing payments of the relevant benefits for: temporary disability; employment injury or occupational disease; occupational rehabilitation; pregnancy and child-birth or child-care:

1. acts of medical expertise are appealed against;
2. evidence is presented that may lead to issuance of a denial order or termination of the compensation;
3. no data has been provided about the sick leaves issued and the judgements on their appeal in the register referred to in Article 33, Paragraph 5, Item 12.

(5) (Amended, SG No. 64/2000, SG No. 112/2003, SG No. 105/2006, renumbered from Paragraph 4, SG No. 100/2010, effective 1.01.2011, amended, SG No. 99/2012, effective 1.01.2013) The insurer shall pay out to the insured person, for the first three business days of the temporary incapacity to work, 70 percent of the average daily gross remuneration for the month in which the temporary incapacity to work occurred, but not less than 70 percent of the average daily remuneration that was agreed upon.

(6) (New, SG No. 105/2006, amended, SG No. 109/2008, renumbered from Paragraph 5, SG No. 100/2010, effective

1.01.2011, repealed, SG No. 106/2013, effective 1.01.2014).

(7) (New, SG No. 99/2012, effective 1.01.2013) Cash compensations for temporary incapacity to work shall be recovered by the persons for the period, for which a disability pension has been granted to them for the same disease, except in the cases where the medical certificate has been issued on the basis of objective evidence of exacerbation of the condition, as well as with interventions related to the treatment of the chronic disease.

Timelines for Submission of Documents and Data with regard to Payment of Benefits for Temporary Disability and Occupational Rehabilitation

(Title supplemented, SG No. 98/2015, effective 1.01.2016)

Article 40a. (New, SG No. 99/2009, effective 1.01.2010, amended, SG No. 94/2012, effective 1.01.2013, supplemented, SG No. 98/2015, effective 1.01.2016) The documents and data with respect to payment of benefits for temporary disability or occupational rehabilitation shall be submitted to the relevant local office of the National Social Security Institute within the following timelines:

1. (amended, SG No. 98/2015, effective 1.01.2016) by social insurance contributors, their branches and subsidiaries and contribution payment centres - by the 10-th day of the month following the month, in which the insured person had submitted his/her documents for payment of the benefit to the social insurance contributor;
2. (amended, SG No. 98/2015, effective 1.01.2016) by self-insured persons - by the 10-th day of the month following the month, in which the document for payment of the benefit had been issued.

Remuneration on the Basis of which Benefit Is Calculated

Article 41. (1) (Supplemented, SG No. 64/2000, amended, SG No. 105/2006, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012) The daily cash benefit for temporary disability through common disease shall be calculated at the rate of 80 per cent, and the daily cash benefit for temporary disability through employment injury and occupational disease shall be calculated at the rate of 90 per cent, of the average daily gross labour remuneration or the average daily contributory income on which social insurance contributions have been remitted or are due, and in respect of self-insured persons, on which social insurance contributions have been remitted for common disease and maternity for the period of 18 calendar months preceding the month of occurrence of the disability. The daily cash benefit for temporary disability through common disease may not exceed the average daily net remuneration for the period on the basis of which the benefit is calculated.

(2) (Amended, SG No. 1/2002) For the days included in the period under Paragraph 1, the average daily national minimum wage for the respective period shall be taken into consideration, provided that the person:

1. (amended, SG No. 109/2008, effective 1.01.2009) has not been insured against common disease and maternity;
2. (repealed, SG No. 109/2008, effective 1.01.2009);
3. has used unpaid leave which counts as length of employment service or civil-service seniority;
4. has used child-care leave;
5. (new, SG No. 105/2006) has been insured under the legislation of another State under the conditions of an international treaty whereto the Republic of Bulgaria is a party.

(3) (Amended, SG No. 105/2006, SG No. 1/2014, effective 1.01.2014) The income on the basis of which the cash benefit has been calculated shall be taken into account for the days included in the period under Paragraph 1 during which the person has received a cash benefit under public social insurance for temporary disability, for pregnancy and child-birth or upon adoption of a child between 2 and 5 years of age.

(4) (New, SG No. 67/2003) The amount on the basis of which the cash benefits are calculated may not exceed the maximum

monthly amount of the contributory income as fixed by the Public Social Insurance Budget Act for the period for which the cash benefits are determined.

(5) (Renumbered from Paragraph 4, SG No. 67/2003) The method of benefit calculation shall be determined by an act of the Council of Ministers.

Duration of Benefit Payment

Article 42. (1) The cash benefit for temporary disability through common disease, employment injury and occupational disease shall be paid from the first day of occurrence until working capacity is regained or until disablement is established.

(2) (Amended, SG No. 64/2000, SG No. 1/2002, supplemented, SG No. 105/2006, amended, SG No. 100/2010, effective 1.01.2011, amended and supplemented, SG No. 99/2012, effective 1.01.2013, repealed, SG No. 99/2017, effective 1.01.2018).

(3) (Amended, SG No. 1/2002, SG No. 35/2009, effective 12.05.2009, SG No. 16/2010, SG No. 100/2010, effective 1.01.2011) Where temporary disability has occurred before the termination of fixed-term employment and civil-service relationships, military service contracts, and contracts for management and control of commercial corporations, the cash benefit shall be paid for not more than 30 calendar days after termination of the said relationships or contracts. If the temporary disability is due to employment injury or occupational disease, the cash benefit shall be paid until working capacity is regained or until disablement is established.

(4) (New, SG No. 54/2015, effective 17.07.2015) Cash benefits for temporary disability through employment injury and occupational disease of the persons referred to in Article 114a, Paragraph 1 of the Labour Code, are due for the period of disability, but for no longer than 90 calendar days.

Benefits for Quarantine or Suspension from Work

Article 43. Cash benefits for temporary disability through quarantine or suspension from work prescribed by the health authorities shall be paid for:

1. the period during which the insured person has been under quarantine;
2. the period of suspension from work, if the insured person cannot be occupationally rehabilitated to another suitable job during that period for not more than 90 calendar days during one calendar year.

Sanatorium and Resort Treatment Benefits

Article 44. Incapacitated persons who are referred to sanatorium and resort treatment by the health authorities shall be paid a cash benefit for the entire duration of the treatment, including up to three calendar days for travel, in the amounts determined for common disease or for employment injury and occupational disease, respectively.

Benefit for Attendance of Sick Family Member

Article 45. (1) Cash benefits under the terms and in the amount of the cash benefit for temporary disability through common disease shall furthermore be paid for:

1. attendance or urgent accompanying for medical examination, tests or treatment in Bulgaria or abroad, of a sick family member over the age of 18: up to ten calendar days per calendar year for each insured person;
2. attendance or urgent accompanying for medical examination, tests or treatment in Bulgaria or abroad, of a sick child under the age of 18: up to 60 calendar days per calendar year for all insured family members; this period shall not include the time for

child care under Items 3 to 5;

3. attendance of a quarantined child who has not attained the age of 18 years suffering from a contagious disease: until expiry of the term of the quarantine;

4. attendance of a sick child who has not attained the age of 3 years placed in a hospital-care facility together with the insured person: for the time during which the insured person was in the facility;

5. care of a healthy child sent back from a kindergarten due to quarantine: for the duration of the quarantine.

(2) For one and the same insured event, for one and the same period of time, a cash benefit under Paragraph 1 may be paid to only one insured family member.

(3) For attendance of a chronically sick family member, a cash benefit shall be paid only in case of aggravation of the sickness.

(4) (Amended, SG No. 19/2010) "Family members of the insured person" shall be his/her lineal descendants or ascendants and his/her spouse.

(5) (New, SG No. 52/2004) The cash benefit under Items 2, 3, 4 and 5 of Paragraph 1 shall furthermore be paid for care of a child placed with friends, relatives or a foster family according to the procedure established by Article 26 of the Child Protection Act.

Cases in which No Benefit Is Paid

Article 46. (1) A cash benefit for temporary disability shall not be paid to any insured persons who:

1. deliberately impair their health for the purpose of obtaining a leave or benefit;

2. breach the regimen determined by the health authorities: only for the days of the breach;

3. have lost their working capacity due to consumption of alcohol, ingestion of a potent intoxicant without medical indication or due to actions performed under the influence of such substances;

4. have lost their working capacity due to hooliganism and other anti-social behaviour, which have been ascertained according to the relevant procedure;

5. have lost their working capacity due to failure to comply with the occupational safety rules, ascertained according to the relevant procedure.

(2) In the cases under Items 3 and 4 of Paragraph 1, the period for which benefits shall not be paid may not exceed 15 calendar days, and in the case under Item 5, the said period may not exceed three calendar days.

(3) (New, SG No. 99/2009, effective 1.01.2010) No cash benefits for temporary disability and for pregnancy and childbirth shall be paid to persons exercising labour activities which are grounds for common disease and maternity insurance for periods in respect of which statements have been issued by the health authorities.

Cash Benefit upon Occupational Rehabilitation

Article 47. (1) Upon occupational rehabilitation by reason of temporarily reduced working capacity consequent to common disease, employment injury or occupational disease, the insured person shall be paid a cash benefit if the new job carries a lower labour remuneration.

(2) (Amended and supplemented, SG No. 105/2006, amended, SG No. 100/2010 effective 1.01.2011, SG No. 100/2011, effective 1.01.2012) The daily cash benefit shall amount to the difference between the average daily gross labour remuneration received during the 18 calendar months preceding the month of the occupational rehabilitation, but not more than the average daily amount of the maximum monthly contributory income, and the average daily gross labour remuneration received after the occupational rehabilitation. Where the insured person has worked for less than 18 months until the day of the occupational

rehabilitation, the benefit shall be determined as a difference between the average daily remuneration as determined under Article 41 herein and the average daily gross labour remuneration received after the occupational rehabilitation.

(3) (Amended, SG No. 105/2006) The cash benefit under Paragraphs (1) and (2) shall be paid for the time of the occupational rehabilitation but for not more than six months.

Section II

Maternity Benefits

Benefit upon Occupational Rehabilitation by Reason of Pregnancy or Nursing
or an Advanced Stage of in Vitro Treatment

(Title supplemented, SG No. 103/2009, effective 29.12.2009)

Article 48. (1) (Supplemented, SG No. 103/2009, effective 29.12.2009) Upon occupational rehabilitation by reason of pregnancy or nursing or an advanced stage of in vitro treatment, the insured woman shall be paid a cash benefit if the new job carries a lower labour remuneration.

(2) (Amended and supplemented, SG No. 105/2006, amended, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 98/2015, effective 1.01.2016) The daily cash benefit shall amount to the difference between the average daily gross labour remuneration received during the 24 calendar months preceding the month of the occupational rehabilitation, but not more than the average daily amount of the maximum monthly contributory income, and the average daily gross labour remuneration received after the occupational rehabilitation. Where the insured woman has worked for less than 24 months until the day of occupational rehabilitation, the benefit shall be determined as a difference between the average daily remuneration as determined under Article 41 herein and the average daily gross labour remuneration received after the occupational rehabilitation.

(3) (Amended and supplemented, SG No. 105/2006) In case the occupational rehabilitee receives an average daily gross labour remuneration which is lower than the national minimum daily wage in the new job or the average daily remuneration as determined under Article 41 herein is lower than the national minimum wage, the daily benefit shall amount to the difference between the average daily gross labour remuneration received before the occupational rehabilitation and the national minimum daily wage.

Entitlement to Benefit in Case of Pregnancy and Child-Birth

Article 48a. (New, SG No. 112/2003, effective 1.07.2004, amended, SG No. 69/2004, SG No. 109/2008, effective 1.01.2009) Persons insured in respect of common disease and maternity shall have the right to cash benefits for pregnancy and childbirth instead of salary, provided that they have at least 12 months of insured length of service, in the course of which they have been insured in respect of such risk.

Timelines for Submission of Documents and Data with Regard to Payment of Benefits for Pregnancy and Childbirth

(Title supplemented, SG No. 98/2015, effective 1.01.2016)

Article 48b. (New, SG No. 99/2009, effective 1.01.2010, amended, SG No. 94/2012, effective 1.01.2013, amended and supplemented, SG No. 98/2015, effective 1.01.2016) The social insurance contributors and their branches and subsidiaries and contribution payment centres shall submit to the relevant local division of the National Social Security Institute the documents and data for payment of cash benefit for pregnancy and childbirth within the timeline under Item 1 of Article 40a

and the self-insured persons - by the 10-th day of the month following the month, for which payment of benefits is claimed.

Benefit for Pregnancy and Child-Birth

Article 49. (1) (Supplemented, SG No. 104/2005, SG No. 105/2006, amended, SG No. 109/2008, SG No. 98/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 106/2013, effective 1.01.2014, SG No. 107/2014, effective 1.01.2015) The daily cash benefit for pregnancy and childbirth shall be 90 percent of the average daily gross wage or the average daily contributory income whereon insurance contributions have been paid or are due, and in the case of self-insured persons - paid insurance contributions in respect of common disease or maternity for the period of 24 calendar months preceding the month in which the temporary incapacity to work due to pregnancy and childbirth has occurred. The daily cash benefit may not be more than the average daily net remuneration for the period based on which the benefit has been calculated, or less than the minimum daily wage for Bulgaria, and shall be determined as provided for by Article 41(2) to (5).

(2) (New, SG No. 68/2006) Upon acquisition of entitlement to a cash benefit for pregnancy and child-birth, during the period of payment of a cash benefit for pregnancy and child-birth or for child-care, the said benefit shall be in the amount determined under Paragraph 1 for the preceding child, if this is more favourable for the person.

(3) (Amended, SG No. 104/2005, renumbered from Paragraph 2, SG No. 68/2006, amended, SG No. 105/2006) Where the person is insured on multiple grounds, the aggregate amount of the daily cash benefit may not be less than the national minimum daily wage.

Duration of Payment of Cash Benefit for Pregnancy and Child-Birth

Article 50. (1) (Supplemented, SG No. 1/2002, amended, SG No. 68/2006, effective 1.01.2007, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009) A mother insured in respect of common disease and maternity shall have the right to cash benefit in case of pregnancy and childbirth for a period of 410 calendar days, 45 of which shall be before childbirth.

(2) Where the confinement occurs prior to the lapse of 45 days after commencement of the use of the benefit, the remainder of the 45-day period shall be used after the confinement.

(3) (Supplemented, SG No. 98/2016, effective 1.06.2017) If the child is still-born, dies, is placed according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act or is placed in a fully public-financed childcare institution or is surrendered for adoption, the mother shall be entitled to a cash benefit for up to 42 days after the confinement. If, as a result of the confinement, the working capacity of the mother is not regained after the 42nd day, the duration of the entitlement to this benefit shall be extended at the discretion of the health authorities until her working capacity is regained. Until the lapse of the period under Paragraph 1, this benefit shall be paid as a benefit for pregnancy and child-birth.

(4) (Supplemented, SG No. 98/2016, effective 1.06.2017) Where the child is surrendered for adoption, is placed according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act or in a fully public-financed childcare institution or dies after the 42nd day after the confinement, as well as where the child is raised by a person involved in programmes to support mothers, the benefit under Paragraph 1 shall be terminated as from the next succeeding day. In such cases, if the working capacity of the mother is not regained as a result of the confinement, sentences two and three of Paragraph 3 shall apply.

(5) (Amended, SG No. 109/2008, effective 1.01.2009, SG No. 98/2016, effective 1.06.2017) A woman or a man secured against general disease or maternity, who adopts a child or with whom a child is placed according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act, shall be entitled to a benefit under Paragraph 1 amounting to the difference between the age of the child on the day of the surrender thereof for adoption, respectively its placing according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act, until the lapse of the period of the benefit due for child-birth.

(6) (New, SG No. 105/2006, amended, SG No. 109/2008, effective 1.01.2009, SG No. 98/2016, effective 1.06.2017) A father (adoptive father) secured for general disease and maternity shall be entitled to pecuniary compensation at childbirth (adoption) in the amount determined in accordance with the provisions of Article 49, for a period of 15 calendar days during the leave under Article 163, Paragraphs 8 and 9 of the Labour Code, provided that he meets the requirements under Article

48a.

(7) (New, SG No. 109/2008, effective 1.01.2009, amended, SG No. 98/2016, effective 1.06.2017) The person secured for general disease and maternity shall have the right to an amount of cash benefit determined as provided for in Article 49 in case of childbirth, after the child becomes 6 months old, for the time remaining until the completion of 410 calendar days, during the leave of absence provided for in Article 163, Paragraph 10, 11 or 12 of the Labour Code, provided that he/she satisfies the requirements of Article 48a.

(8) (New, SG No. 99/2012, effective 1.01.2013) Self-insured persons, who are insured in respect of common disease and maternity, shall have the right to benefits under paragraphs 6 and 7, if they satisfy the conditions specified in Article 48a.

Compensation for not Using a Pregnancy and Maternity Leave

Article 50a. (New, SG No. 98/2016, effective 1.06.2017) (1) A mother (adoptive mother) secured for general disease and maternity, who was entitled to compensation under Article 48a, shall receive a pecuniary compensation in the amount of 50 percent of the compensation under Article 49, where:

1. after the expiry of the periods after birth, allowed with instruments of the health authorities, she does not use a pregnancy and maternity leave, or the person using such leave terminates it;
2. after the expiry of the periods after birth, allowed with instruments of the health authorities, a self-insured person starts exercising an employment activity, for which it pays contributions for general disease and maternity.

(2) Where the mother (adoptive mother) has died, has been deprived of parental rights, or custody of the child was granted to the father (adoptive father), this compensation shall be paid to the father (adoptive father), and where he has died – to the guardian. The compensation shall be paid where the person responsible for raising the child is insured for general disease and maternity.

(3) The compensation under Paragraphs 1 and 2 shall not be paid upon death of the child, where the child is surrendered for adoption, is placed according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act or in a fully public-financed childcare institution, as well as where the child is raised by a person involved in programmes to support mothers.

Benefit upon Mother's Death or Illness

Article 51. (Amended, SG No. 64/2000, supplemented, SG No. 105/2006, amended, SG No. 109/2008, effective 1.01.2009, SG No. 98/2016, effective 1.06.2017) If the mother (female adopter) dies or contracts a serious illness which prevents her from taking care of the child, the person who uses the leave under Article 167 of the Labour Code shall be paid the cash benefit under Article 49, Article 53 or Article 53a herein. The said benefit shall furthermore be paid to the self-insured persons who are insured against common disease and maternity.

Benefit for Pregnancy and Child-Birth upon Termination of Social Insurance

Article 52. (Amended, SG No. 109/2008, effective 1.01.2009) Upon termination of social insurance against common disease and maternity during a period of entitlement to a benefit for pregnancy and child-birth, the insured person shall be paid a cash benefit until the lapse of the period of entitlement to a benefit for pregnancy and child-birth under Article 50 herein.

Entitlement to Child-Care Benefit

Article 52a. (New, SG No. 112/2003, effective 1.07.2004, amended, SG No. 69/2004, SG No. 109/2008, effective

1.01.2009) Persons insured in respect of common disease and maternity shall be entitled to child-care benefit, provided that they have at least 12 months of contributory service, in the course of which they have been insured in respect of such risk.

Timelines for Submission of Documents and Data with Regard to Payment of Benefits for Childcare

(Title supplemented, SG No. 98/2015, effective 1.01.2016)

Article 52b. (New, SG No. 99/2009, effective 1.01.2010, amended, SG No. 94/2012, effective 1.01.2013, amended and supplemented, SG No. 98/2015, effective 1.01.2016) The social insurance contributors and their branches and subsidiaries and contribution payment centres shall submit to the relevant local division of the National Social Security Institute the documents and data for payment of cash benefit for childcare within the timeline under Item 1 of Article 40a and the self-insured persons - by the 10-th day of the month following the month, for which payment of benefits is claimed.

Child-Care Benefit

Article 53. (1) (Amended, SG No. 1/2002) After the lapse of the period of entitlement to a benefit for pregnancy and child-birth during the additional paid child-care leave, the mother (female adopter) shall be paid a monthly cash benefit to an amount fixed by the Public Social Insurance Budget Act.

(2) (Amended, SG No. 1/2002) When the additional paid child-care leave is used by the father (male adopter) instead of the mother (female adopter) or by the person responsible for caring of the child, a monthly cash benefit shall be paid to an amount fixed by the Public Social Insurance Budget Act. Such benefit shall be paid to the guardian where the said guardian uses the leave under Article 167 (2) of the Labour Code.

(3) (New, SG No. 69/2004) The benefit under Paragraph 1 shall furthermore be paid to the persons who use a child-care leave for a child until attainment of the age of 2 years who is placed according to the procedure established by Article 26 (1) of the Child Protection Act.

(4) (Renumbered from Paragraph 3 and amended, SG No. 69/2004, SG No. 68/2006, SG No. 89/2008, SG No. 49/2010, SG No. 100/2010, effective 1.01.2011, SG No. 98/2016, effective 1.01.2017) The cash benefit under Paragraphs 1, 2 and 3 shall not be paid if the child passes away, is surrendered for adoption or is placed in according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act or in a childcare institution, including creches, as well as if the child is taken care of by an individual included in the Maternity Support Programmes.

(5) (New, SG No. 105/2006, amended, SG No. 109/2008, effective 1.01.2009) The self-insured persons, who are insured against common disease and maternity, shall be entitled to a cash child-care benefit within the periods covered under Paragraphs (1) to (4).

Leave upon Adoption of a Child between 2 and 5 Years of Age

Article 53a. (New, SG No. 104/2013, effective 1.01.2014) (1) Any person insured against common disease and maternity, who has a contributory service of at least 12 months as insured against such risk and uses leave upon adoption of a child between 2 and 5 years of age on unconditional adoption basis, shall be entitled to a benefit in the amount, determined under the procedure of Article 49 for a period of 365 days, but not after the child's fifth birthday.

(2) The benefit under Paragraph (1) shall not be paid in case of the child's demise, of termination of the adoption, as well as if the child is admitted to a child-care facility, including a creche or an educational establishment.

(3) The self-insured persons, who are insured against common disease and maternity, have a contributory service of at least 12 months as insured against such risk, shall be entitled to a monetary benefit upon adoption of a child between 2 and 5 years of age under the terms and conditions of Paragraphs (1) and (2).

Benefit When Additional Paid Child-Care Leave Is Not Used

Article 54. (1) (Amended and supplemented, SG No. 1/2002, supplemented, SG No. 112/2003, amended, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009) A mother (female adopter) who is insured against common disease and maternity or against all covered social insurance risks except unemployment and who was entitled to a benefit under Article 52a herein, shall receive a cash benefit amounting to 50 per cent of the benefit Article 53 herein if:

1. she does not use the additional paid child-care leave or the person who uses such leave interrupts the use thereof;
2. (amended, SG No. 109/2008, effective 1.01.2009) the self-insured person entitled to a benefit under Article 53 herein commences to perform work for which the said person is insured against common disease and maternity.

(2) (Supplemented, SG No. 1/2002, amended, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009) If the mother (female adopter) is deceased, has forfeited child custody, or the exercise of child custody has been awarded to the father (male adopter), this benefit shall be paid to the father (male adopter), and if he is deceased, to the guardian. The benefit shall be paid if the person in charge of raising the child is insured in respect of common disease and maternity.

(3) (Supplemented, SG No. 68/2006, amended, SG No. 89/2008, SG No. 49/2010, effective 1.07.2010, SG No. 98/2016, effective 1.01.2017) The compensation under Paragraphs 1 and 2 shall not be paid upon death of the child, where the child is surrendered for adoption, is placed according to the procedure established by Article 26, Paragraph 1 of the Child Protection Act or is placed in a fully public-financed childcare institution, as well as where the child is raised by a person involved in programmes to support mothers.

Section III

(Previous Chapter Four "a", SG No. 106/2013, effective 1.01.2014)

CASH UNEMPLOYMENT BENEFITS

Entitlement to Cash Unemployment Benefit

Article 54a. (1) (Amended, SG No. 115/2004, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009, SG No. 99/2017, effective 1.01.2018) Entitlement to a cash unemployment benefit shall vest in persons for whom social insurance contributions have been paid or are due with the Unemployment Fund for at least twelve months during the 18 months last preceding the termination of the social insurance and who:

1. (amended, SG No. 109/2008, effective 1.01.2009) are registered as unemployed with the National Employment Agency;
2. (amended, SG No. 105/2006, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 98/2015, effective 1.01.2016) are not granted contributory-service and retirement-age pension in the Republic of Bulgaria or retirement-age pension in another country, or do not receive contributory-service and retirement-age pension in a reduced amount in accordance with Article 68a or occupational pension under Article 168;
3. (amended, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 54/2015, effective 17.07.2015, amended, SG No. 99/2017, effective 1.01.2018) do not perform work for which they are subject to compulsory social insurance under this Code or under the laws of another State, with the exception of the persons referred to in Article 114a (1) of the Labour Code.

(2) (New, SG No. 105/2006) The following periods shall also count for the purpose of acquiring entitlement to a cash benefit under Paragraph 1:

1. the periods of paid and unpaid child-care leave;
2. (supplemented, SG No. 1/2014, effective 1.01.2014) the periods of paid and unpaid leave for temporary disability, of pregnancy and child-birth leave and the leave upon adoption of a child between 2 and 5 years of age;
3. the periods of unpaid leave up to 30 working days during one calendar year;

4. the periods counting as contributory service under the legislation of another State on the grounds of an international treaty whereto the Republic of Bulgaria is a party.

(3) (Renumbered from Paragraph 2, SG No. 105/2006) The cash unemployment benefit shall be granted on the basis of an application submitted to the local division of the National Social Security Institute.

(4) (Repealed, SG No. 112/2003, renumbered from Paragraph 3 and amended, SG No. 105/2006, SG No. 100/2010, effective 1.01.2011) The cash unemployment benefit shall be paid from the date of the last termination of the social insurance, if

1. the application under Paragraph 3 has been submitted within three months after the date of last termination;

2. the individual concerned has been registered as an unemployed person with the Employment Agency within 7 business days after the date of last termination.

(5) (New, SG No. 100/2010, effective 1.01.2011) If the application under Paragraph 3 has been submitted after the expiry of the time limit under Paragraph 4(1) without good reason, the cash benefit shall be paid for the period under Article 54c or 54b(3) or (4), starting from the date of application, reduced by the period of delay.

(6) (New, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 99/2012, effective 1.01.2013) If the application under Paragraph 3 has been submitted within the time limit under Paragraph 4(1), but the registration of the person (as unemployed) with the Employment Agency has been made after the expiry of the time limit under Paragraph 4(2) without a legitimate excuse, the cash benefit shall be paid for the period under Article 54c or 54b(3) or (4), starting from the date of registration, reduced by the period of delay.

(7) (Amended, SG No. 109/2008, renumbered from Paragraph 5, SG No. 100/2010, effective 1.01.2011, amended, SG No. 99/2012, effective 1.01.2013, repealed, SG No. 106/2013, effective 1.01.2014).

Amount of Cash Unemployment Benefit

Article 54b. (1) (Amended, SG No. 112/2003, SG No. 109/2008, SG No. 98/2010, effective 1.01.2011, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 99/2017, effective 1.01.2018) The unemployment cash benefit shall be 60 per cent of the average daily pay or the average daily contributory income whereon insurance contributions to the Unemployment Fund have been paid or are due for the last 24 calendar months preceding the month in which the insurance was terminated, and may not be less than the minimum daily amount and higher than the maximum daily amount of the unemployment benefit.

(2) (Amended, SG No. 109/2008, SG No. 100/2010, effective 1.01.2011, amended and supplemented, SG No. 99/2017, effective 1.01.2018) The minimum and maximum daily amounts of the unemployment benefit shall be determined annually by the Public Social Insurance Budget Act.

(3) (Supplemented, SG No. 67/2003, SG No. 95/2003, amended, SG No. 82/2006, SG No. 64/2007, SG No. 35/2009, effective 12.05.2009, supplemented, SG No. 100/2010, effective 1.01.2011, amended, SG No. 53/2014, supplemented, SG No. 79/2015, effective 1.11.2015, amended, SG No. 99/2017, effective 1.01.2018) Unemployed persons whose employment relationships have been terminated on their own initiative or with their consent, or due to their culpable behaviour on the grounds of Items 1 and 2 of Article 325, Articles 326, 330 and 331 of the Labour Code, Items 1, 2 and 5 of Article 103 (1), Article 105, Items 1 to 4 of Article 107 (1) and Article 107a of the Civil Servants Act, Items 1 and 6 of Article 162, Article 163 and Items 2 and 3 of Article 165 of the Republic of Bulgaria Defence and Armed Forces Act, Items 4, 6, 8 and 16 of Article 226 (1) of the Ministry of Interior Act, Article 101 (1), Items 5, 7 and 9 of the State Intelligence Agency Act and Article 165, Paragraph 1, items 2, 3 and 5 and Article 271, items 2, 3 and 5 of the Judiciary System Act, on the grounds of any other legislative act, shall receive the minimum amount of the cash unemployment benefit for a period of four months.

(4) Unemployed persons who have acquired entitlement to a cash unemployment benefit under Article 54a herein prior to the lapse of three years from a preceding enjoyment of the entitlement to an unemployment benefit, shall receive the minimum amount of the cash benefit for a period of four months.

(5) (Amended, SG No. 105/2006, SG No. 109/2008, effective 1.01.2009) The monthly amount of unemployment benefits

shall be calculated by multiplying the daily amount calculated as per Paragraph 1 by the number of business days of the relevant month.

(6) (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 98/2016, effective 1.01.2017) Persons who are hired to work part-time during the period of payment of the cash benefit and receiving a remuneration which is less than the national minimum wage, shall receive an unemployment benefit to the amount of 50 per cent of the cash benefit due thereto for the remaining period of the payment.

(7) (New, SG No. 105/2006, amended, SG No. 109/2008, effective 1.01.2009) When the period under Paragraph 1 based on which the average daily remuneration or the average daily contributory income is determined includes time which is recognised as contributory service, without any insurance contributions being due, or during which the person has not been insured against unemployment, the following shall be taken into account when determining the contributory income:

1. (amended, SG No. 109/2008, effective 1.01.2009) for the period of paid and unpaid child-care leave, of unpaid leave for temporary disability and for pregnancy and child-birth and of unpaid leave up to 30 working days during one calendar year: the average national minimum daily wage for the relevant period;

2. (supplemented, SG No. 106/2013, effective 1.01.2014, SG No. 1/2014, effective 1.01.2014) for the period of paid leave for temporary disability and for pregnancy and child-birth, as well as upon adoption of a child between 2 and 5 years of age: the income on the basis of which the cash benefit has been determined under the legal relationships, under which the person has been insured for unemployment;

3. (amended, SG No. 109/2008, effective 1.01.2009) for the period counting as contributory service under the legislation of another State on the grounds of an international treaty whereto the Republic of Bulgaria is a party: the average national minimum daily wage for the relevant period;

4. (new, SG No. 109/2008, effective 1.01.2009) for the period during which the person is not insured against unemployment - the average national minimum daily wage for the relevant period.

Duration of Payment of Cash Unemployment Benefits

Article 54c. (1) (Amended, SG No. 98/2016, effective 1.01.2017, SG No. 99/2017, effective 1.01.2018) Cash unemployment benefits shall be paid monthly during the month next succeeding the month for which the said benefits are due, for a period determined depending on the length of the contributory service, during which such persons have been secured for unemployment, for the period after 31 December 2001, as follows:

Contributory service with social security for unemployment for the time after 31 December 2001 (years)	Duration of Benefit Payment (months)
up to 3 years	4
from 3 years and 1 day to 7 years	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 No. 67/2003, repealed, SG No. 98/2016, effective 1.01.2017).

(3) (Renumbered from Paragraph 2, SG No. 67/2003, supplemented, SG No. 95/2003, repealed, SG No. 100/2010, effective 1.01.2011).

(4) (Renumbered from Paragraph 3, SG No. 67/2003, repealed, SG No. 109/2008, effective 1.01.2009).

Suspension of Payment of Cash Unemployment Benefits

Article 54d. (New, SG No. 1/2002) (1) (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) Payment of the cash unemployment benefit shall be suspended for the period during which the person receives benefits for a temporary disability or for a job loss on the grounds a statutory instrument.

(2) (Amended, SG No. 112/2003, SG No. 100/2010, effective 1.01.2011) The unemployed person shall be obligated to disclose the occurrence and lapse of the circumstances under Paragraph 1 to the relevant local division of the National Social Security Institute within 7 business days.

(3) (Supplemented, SG No. 100/2010, effective 1.01.2011) Payment shall be resumed as from the day of lapse of the grounds for suspension and shall continue for the remainder of the period as ascertained on the suspension date.

(4) (New, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 98/2015, effective 1.01.2016, amended, SG No. 99/2017, effective 1.01.2018) The official under Article 54g (1) shall discontinue by an order the proceedings relating to the granting or payment of unemployment benefits where data exists which may lead to the issue of an order for refusal or termination of the payment of the benefit and/or a clarification of the contributory service and/or the contributory income is required when applying the provisions of international treaties to which the Republic of Bulgaria is a party.

Termination of Payment of Cash Unemployment Benefits

Article 54e. (1) Payment of the cash unemployment benefit shall be terminated upon:

1. (amended, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 54/2015, effective 17.07.2015) commencement of work for which the person is subject to compulsory social insurance under this Code, exception are the persons referred to in Article 114a, Paragraph 1 of the Labour Code or the legislation of another country;

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

3. (amended, SG No. 105/2006, SG No. 100/2011, effective 1.01.2012, SG No. 98/2015, effective 1.01.2016) granting a contributory-service and retirement-age pension in the Republic of Bulgaria or retirement-age pension in another country, or being granted a contributory-service and retirement-age pension in a reduced amount in accordance with Article 68a or an occupational pension under Article 168;

4. (repealed, SG No. 112/2003);

5. death of the unemployed person.

(2) (Amended, SG No. 112/2003, repealed, SG No. 107/2014, effective 1.01.2015).

(3) (Amended, SG No. 112/2003, SG No. 107/2014, effective 1.01.2015) The person shall be obligated to declare to the competent local division of the National Social Security Institute the occurrence of the circumstances under Items 1, 2 and 3 of Paragraph 1 within seven working days.

(4) (Repealed, SG No. 112/2003).

(5) (Supplemented, SG No. 100/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013, SG No. 98/2016, effective 1.01.2017, amended, SG No. 99/2017, effective 1.01.2018) If, during the period of receipt of the cash benefit, the person begins to practise any activity which is a ground for compulsory social insurance under Article 4 herein or employment activity under the legislation of another country which will be discontinued within less than 12 months, payment of the cash

benefit shall be resumed for the remaining period, as ascertained on the date of the termination, if the registration of the person concerned with the Employment Agency has been made within 7 business days following the employment termination. If the registration has been made after this time limit without a legitimate excuse, the payment of cash benefits shall be resumed for the remaining period, as ascertained on the termination date, starting from the date of the new registration and reduced by the period of delay.

Restitution of Cash Unemployment Benefit Received in Good Faith

Article 54f. (1) (Supplemented, SG No. 67/2003, amended, SG No. 82/2006, SG No. 64/2007, SG No. 35/2009, effective 12.05.2009, SG No. 53/2014, supplemented, SG No. 79/2015, effective 1.11.2015, amended, SG No. 98/2016, effective 1.01.2017) Cash unemployment benefits paid shall be restituted by the persons for the period of the benefit received for unemployment for wrongful dismissal, defined in accordance with a statutory instrument.

(2) (Amended, SG No. 98/2016, effective 1.01.2017) Within seven days after payment of the unemployment benefits due as a result of wrongful dismissal, the social insurance contributor shall be obligated to submit copies of the judgement of court and the payment documents to the competent local division of the National Social Security Institute.

(3) (New, SG No. 105/2006, amended, SG No. 100/2011, effective 1.01.2012, SG No. 99/2012, effective 1.01.2013, supplemented, SG No. 107/2014, effective 1.01.2015, amended, SG No. 98/2015, effective 1.01.2016) Paid cash unemployment benefits shall be restituted by the persons for the period for which they have been granted a contributory-service and retirement-age pension in the Republic of Bulgaria, or retirement-age pension in another country, contributory-service and retirement-age pension in a reduced amount in accordance with Article 68a or occupational pension under Article 168, and for the period during which the said persons have received a cash benefit for temporary disability pregnancy and childbirth or an unemployment benefit, defined in accordance with a statutory instrument.

(4) (Amended, SG No. 105/2005, renumbered from Paragraph 3, SG No. 105/2006, supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 98/2015, effective 1.01.2016) For restitution of the amounts under Paragraphs 1 and 3, the official who is entrusted with direction of unemployment insurance at the competent local division of the National Social Security Institute, or another official designated by the Head of the division, shall issue a directive which is subject to enforced execution according with the procedure established by the Tax and Social-Insurance Procedure Code.

(5) (Renumbered from Paragraph 4, SG No. 105/2006, supplemented, SG No. 100/2010, effective 1.01.2011, repealed, SG No. 107/2014, effective 1.01.2015).

Procedure for Granting, Payment, Modification, Suspension and Termination of Cash Unemployment Benefits

(Title supplemented, SG No. 109/2008, effective 1.01.2009)

Article 54g. (1) (Amended, SG No. 100/2010, effective 1.01.2011) Cash unemployment benefits shall be granted, modified, refused, suspended, terminated, resumed, and re-granted by a directive of the official who is entrusted with direction of unemployment insurance or another official appointed by the head of the competent local division of the National Social Security Institute.

(2) (New, SG No. 99/2012, effective 1.01.2013) The directive in force, referred to in Paragraph 1, may be amended or repealed by the issuing authority where:

1. new documents or evidence are submitted, which are relevant to the determining of the right, amount and period of the cash unemployment benefit;

2. the cash unemployment benefit has been wrongfully granted or its granting has been wrongfully refused.

(3) (Amended, SG No. 112/2003, SG No. 105/2005, SG No. 109/2008, SG No. 100/2010, effective 1.01.2011, renumbered from Paragraph 2, SG No. 99/2012, effective 1.01.2013, amended, SG No. 106/2013, effective 1.01.2014) The

official under Paragraph 1 shall issue a directive for restitution of mispaid unemployment benefits. The amounts due under any such orders may be set off against the claims of the persons from public social insurance according to the procedure provided for in Article 114(5) and shall be subject to enforced execution according to the procedure established by the Tax and Social-Insurance Procedure Code.

(4) (New, SG No. 109/2008, effective 1.01.2009, supplemented, SG No. 99/2009, effective 1.01.2010, renumbered from Paragraph 3, SG No. 99/2012, effective 1.01.2013) The unemployment benefits shall be paid by the National Social Security Institute to the persons via bank transfer to a personal bank account declared by such persons.

Obligations for Provide Information

Article 54h. (1) (Amended, SG No. 107/2014, effective 1.01.2015) The National Employment Agency shall provide the National Social Security Institute on a daily basis with the information required for the granting, payment, suspension, termination or modification of unemployment benefits.

(2) The National Social Security Institute shall provide the National Employment Agency on a monthly basis with information regarding the payment, suspension and termination of unemployment benefits.

Entitlement to Cash Long-Term Unemployment Benefit

Article 54i. (New, SG No. 105/2006, amended and supplemented, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 100/2010, effective 1.01.2011).

Section IV

Granting and Calculation of Cash Benefits and Allowances (New, SG No. 106/2013, effective 1.01.2014)

Granting and Calculation of Cash Benefits for Temporary Disability, Occupational Rehabilitation, Pregnancy and Childbirth, and Child-Care, and of Allowances

Article 54j. (New, SG No. 106/2013, effective 1.01.2014, amended, SG No. 99/2017, effective 1.01.2018) Cash benefits for temporary disability, occupational rehabilitation, pregnancy and childbirth and child care, and public social insurance allowances shall be granted and calculated on the basis of the data referred to in Item 1 of Article 5 (4) and Item 12 of Article 33 (5), as well as based on the data declared in the documents submitted for the payment of the public social insurance benefits and allowances in accordance with a procedure defined in an instrument of the Council of Ministers.

Granting and Calculation of Cash Unemployment Benefits

Article 54k. (New, SG No. 106/2013, effective 1.01.2014) Cash unemployment benefits shall be granted, calculated, amended, refused, suspended, terminated, restored and recovered on the basis of the data referred to in Article 5, Paragraph 4, item 1 and the data declared in the documents submitted by individuals for the granting of the benefits under conditions and in accordance with a procedure defined in an instrument of the Council of Ministers.

Recalculation of Cash Benefits for Temporary Disability, Occupational Rehabilitation, Pregnancy and Childbirth, and Adoption of a Child Aged 2 to 5

Article 54l. (New, SG No. 107/2014, effective 1.01.2016, amended, SG No. 61/2015, effective 1.01.2016, SG No. 98/2016, effective 1.01.2017) (1) Monetary compensations shall be officially recalculated by 30 June of the year, following the year to which they relate, under a procedure set out in the instrument referred to in Article 54j, based on the information under Article 5, Paragraph 4, Item 1 and/or the final contributory income determined in accordance with Article 6, Paragraph 9, and the final social security contributions paid in.

(2) Where the recalculation under Paragraph 1 results in finding a difference between the amounts of the compensation paid and due:

1. the difference to the higher amount shall be paid to the person within the deadline specified in Paragraph 1;
2. the amount paid in excess of the amount due shall be recovered by the person, unless the overpayment resulted from incorrectly submitted data for payment of monetary compensation and/or certification of contributory service and income by the insurer.

Chapter Five

EMPLOYMENT INJURY AND OCCUPATIONAL DISEASE INSURANCE

Employment Injury

Article 55. (1) (Amended, SG No. 41/2009, effective 1.07.2009) Employment injury shall be any sudden impairment of health which has occurred during and in connection with or because of the work performed, as well as during any work performed in the interest of the enterprise where the said impairment has resulted in temporarily reduced working capacity, permanently reduced working capacity or death.

(2) (Supplemented, SG No. 106/2013, effective 1.01.2014, amended, SG No. 107/2014, effective 1.01.2015) Employment injury shall furthermore be any injury of a person insured under Article 4 (1) and Article 4a herein during the usual commuting to or from the working place to:

1. the principal place of residence or to another additional place of residence of a permanent nature;
2. the place where the insured person customarily takes his or her meals during the working day;
3. the place where a remuneration is received.

(3) Employment injury shall not be the case where the insured person has deliberately impaired his or her health.

Occupational Disease

Article 56. (1) Occupational disease shall be any sickness which has occurred exclusively or primarily under the impact of harmful factors of the working environment or the working process on the human body and which is included in a List of Occupational Diseases issued by the Council of Ministers on a motion by the Minister of Health.

(2) (Amended, SG No. 41/2009, effective 1.07.2009, supplemented, SG No. 107/2014, effective 1.01.2015) A sickness may be recognized as an occupational disease even if it is not included in the List of Occupational Diseases where it is established that the said sickness has been caused basically and directly by the customary working activity of the insured person and has resulted in temporary incapacity to work, permanently reduced working capacity or death of the insured person.

(3) Any aggravation and later consequences of an occupational disease shall be subsumed thereunder.

Declaring Employment Injury

Article 57. (1) (Supplemented, SG No. 7/2012) The social insurance contributor or, in the case of an injured person on temporary employment - the user enterprise, shall be obligated to declare each employment injury to the local division of the National Social Security Institute within three working days.

(2) (Amended, SG No. 1/2002, supplemented, SG No. 7/2012) If the social insurance contributor or the user enterprise fails to declare the injury, the injured person or the survivors thereof shall be entitled to declare the said injury to the local division of the National Social Security Institute within one year after the injury.

(3) The procedure for ascertainment, investigation, registration and reporting of employment injuries shall be established by an act of the Council of Ministers.

Employment Injury Investigation

Article 58. (1) The local division of the National Social Security Institute, jointly with the Labour Inspection, the working conditions committees and groups and other competent authorities depending on the particular case, shall investigate any fatal employment injury, any injury which has impaired more than three workers, as well as any injury for which there is reason to assume that it will lead to disablement.

(2) The local division of the National Social Security Institute may, at its discretion, investigate injuries other than those specified in Paragraph 1.

(3) The employment injury investigation must ascertain:

1. the causes and the circumstances for occurrence of the employment injury;

2. the type of impairments;

3. (amended, SG No. 1/2002) other information which may assist the local division of the National Social Security Institute in ruling on the nature of the injury.

(4) Upon investigation of an employment injury, the injured person may attend in person or may designate the attendance of:

1. a factory or office worker of the same occupation, or;

2. a family member or a descendant or ascendant, or

3. a representative of the trade union organization in which the said person is a member;

4. a representative of the factory and office workers in the working conditions committees and groups.

(5) (Amended, SG No. 1/2002) Where the health status of the injured person prevents him or her from designating a representative, the survivors of the person deceased as a result of an employment injury and the persons under Item 2 shall enjoy the rights under Paragraph 4.

(6) (Amended, SG No. 106/2013, effective 1.01.2014) The results of the investigation shall be formulated in a memorandum in a standard form, which shall be valid until proven otherwise. A copy of the memorandum shall be served by the local division of the National Social Security Institute to the injured person or to the survivors thereof and on the social insurance contributor/beneficiary company.

Record

Article 59. (1) (Amended, SG No. 1/2002) A record on each employment injury or occupational disease shall be opened at the local division of the National Social Security Institute, which shall contain:

1. the declaration of employment injury or the notification of occupational disease;
2. an employment injury investigation memorandum, where such an investigation has been carried out, or a memorandum of inquiry into the occupational disease;
3. the directive acknowledging or not acknowledging the employment nature of the injury or the expert decision confirming or rejecting the occupational disease and the registration form on acknowledged occupational disease;
4. (amended, SG No. 106/2013, effective 1.01.2014, SG No. 98/2016, effective 1.01.2017) information from the primary sick leave certificates issued and the decisions relating to their appeal from the register referred to in Article 33, Paragraph 5, Item 12;
5. (repealed, SG No. 106/2013, effective 1.01.2014);
6. other documents related to the injury or disease.

(2) The injured person and the social insurance contributor shall have the right to be familiarized with the contents of the record.

(3) (Repealed, SG No. 106/2013, effective 1.01.2014).

Qualification of Occupational Nature of Injury

Article 60. (1) (Amended, SG No. 98/2016, effective 1.01.2017) On the basis of the documents in the record and the data in the information system under Article 33, Paragraph 5, Item 7, the official designated by the director of the local division of the National Social Security Institute shall issue a directive acknowledging or not acknowledging the occupational nature of the injury within fourteen days after the declaration.

(2) (New, SG No. 1/2002) Upon a declared injury in connection with a non-traumatic impairment, the directive under Paragraph 1 shall be issued on the basis of the decision of the authorities performing the working capacity evaluation.

(3) (Renumbered from Paragraph 2, SG No. 1/2002, amended, SG No. 106/2013, effective 1.01.2014, SG No. 98/2016, effective 1.01.2017) The directive shall be transmitted to the insured person and to social insurance contributor/beneficiary company.

(4) (Renumbered from Paragraph 3, SG No. 1/2002) The directive shall be appealable by the interested parties according to the procedure established by Article 117 herein.

Occupational Disease Notification

Article 61. (Amended, SG No. 76/2005) In case of suspicion of an occupational disease, every medical and dental practitioner shall dispatch a notification to the local division of the National Social Security Institute.

Preparation of Occupational Disease Documents

Article 62. (1) For each written notification under Article 61 herein, the local division of the National Social Security Institute shall perform an investigation, prepare documents, and present them to the expert medical authorities.

(2) The social insurance contributor shall prepare and present all necessary documents under Paragraph 1 to the local division of the National Social Security Institute within 30 days after the said documents have been requested.

(3) (New, SG No. 1/2002) The working capacity evaluation authorities shall issue an expert decision confirming or rejecting the occupational disease and shall complete an occupational disease registration form.

Procedure for Notification, Registration and Appeal of Occupational Diseases

Article 63. The procedure for notification, registration, confirmation, appeal and reporting of occupational diseases shall be established by an act of the Council of Ministers.

Rates of Social Insurance Contributions to Employment Injury and Occupational Disease Fund

Article 64. (1) The rate of social insurance contributions remitted by social insurance contributors shall be determined a percentage of the monthly contributory income of the insured persons on the basis of actuarial assumptions.

(2) (Amended, SG No. 112/2004) The Public Social Insurance Budget Act shall fix the rate of the employment injury and occupational disease contribution disaggregated by groups of principal economic activities.

(3) (Amended, SG No. 112/2004) The rate of the social insurance contribution shall be fixed by the National Social Security Institute according to a method and procedure established by an act of the Council of Ministers.

(4) (Repealed, SG No. 112/2004).

Measures for Prevention of Employment Injury and Occupational Disease

Article 65. The Employment Injury and Occupational Disease Fund shall finance measures for the prevention of employment injuries and occupational diseases and for improvement of working conditions by means of:

1. provision of help, advice and assistance to social insurance contributors for establishment and implementation of an efficient system for occupational safety and protection of health at work;
2. elaboration and participation in the elaboration of national sectoral programmes (strategies) in the sphere of occupational safety and protection of health at work;
3. delivery of training and improvement of the skills of workers in matters of occupational safety and protection of health at work;
4. conduct and commissioning of scientific research in the sphere of occupational safety and protection of health at work;
5. inspection of the state of occupational safety and protection of health at work;
6. investigation, independently or together with the other competent authorities, of employment injuries and occupational diseases;
7. conduct of campaigns, keeping the public informed of the problems of occupational safety and protection of health at work;
8. elaboration and participation in the elaboration of statutory instruments on occupational safety and protection of health at work;
9. study and dissemination of the positive experience in the creation of safe working conditions;
10. performance of other activities concerning the prevention of employment injuries and occupational diseases.

Obligations of Social Insurance Contributor

Article 66. The social insurance contributor shall be obligated:

1. (repealed, SG No. 106/2013, effective 1.01.2014):

(a) any changes in the technology or nature of the work of the enterprise;

(b) liquidation of the enterprise;

2. to notify immediately the local division of the National Social Security Institute, the Labour Inspectorate and other competent authorities of each fatal employment injury, of each injuries which has caused impairment of more than three workers, as well as of each injury for which there is reason to assume that it will lead to disablement;

3. (amended, SG No. 1/2002, SG No. 106/2013, effective 1.01.2014, repealed, SG No. 107/2014, effective 1.01.2015);

4. (repealed, SG No. 1/2002);

5. (repealed, SG No. 1/2002).

Obligations of the Beneficiary Company

(Title amended, SG No. 106/2013, effective 1.01.2014)

Article 66a. (New, SG No. 7/2012, supplemented, SG No. 106/2013, effective 1.01.2014) The obligations of the social insurance contributor under this Chapter also refer to the beneficiary enterprise, when workers or employees have been assigned to it on temporary employment.

Obligations of Insured Person

Article 67. The insured person shall be obligated:

1. (repealed, SG No. 106/2013, effective 1.01.2014);

2. (amended, SG No. 106/2013, effective 1.01.2014) to notify immediately social insurance contributor/beneficiary company or an authorized representative thereof of any employment injury which has occurred or of any occupational disease which has been ascertained, with the exception of cases when this is impossible.

Chapter Six

COMPULSORY RETIREMENT INSURANCE

Section I

Contributory-Service and Retirement-Age Pensions

Acquisition of Entitlement to Pension

Article 68. (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 61/2015, effective 1.01.2016) (1) Entitlement to a contributory-service and retirement-age pension shall be acquired upon attainment of the age of 60 years and 10 months for women and 63 years and 10 months for men and 35 years and 2 months of contributory service for women and 38 years and 2 months of contributory service for men. As of 31 December 2016, the retirement age shall be increased, from the first day of each subsequent calendar year, as follows:

1. until 31 December 2029, the retirement age for women shall be increased by 2 months per calendar year, and by 3 months

per calendar year as of 1 January 2030, until 65 years of age are reached;

2. until 31 December 2017, the retirement age for women shall be increased by 2 months, and by 1 month per calendar year after 1 January 2018, until 65 years of age are reached.

(2) As of 31 December 2016, the length of contributory service under Paragraph 1 shall be increased, from the first day of each subsequent calendar year, by 2 months until attainment of 37 years of contributory service in the case of women and 40 years of contributory service in the case of men.

(3) If a person is not entitled to a pension under Paragraphs (1) and (2), prior to 31 December 2016 such person shall acquire entitlement to a pension upon attainment of the age of 65 years and 10 months for both women and men, subject to at least 15 years of actual contributory service. As of 31 December 2016, the retirement age shall be increased from the first day of each subsequent calendar year by 2 months, until 67 years of age are reached.

(4) After 31 December 2037 the age under Paragraph (1) shall be tied to the increase of the average life expectancy.

Reduced Contributory-Service and Retirement-Age Pension

Article 68a. (New, SG No. 61/2015, effective 1.01.2016) (1) Those who have attained the required length of contributory service under Article 68(2) may opt to retire up to one year prior to reaching the age under Article 68(1). Their pension shall be granted as of the date of their application and shall be paid at a reduced rate for life.

(2) Those who have been granted a pension under Paragraph (1) shall not be entitled to a pension under Article 68(1), (2) and (3).

Acquisition of Entitlement to Pension by Servicemen under the Defence and Armed Forces of Republic of Bulgaria Act and by Civil Servants under the Ministry of Interior Act and the Implementation of Penal Sanctions and Remand in Custody Act

(Heading amended, SG No. 64/2002, SG No. 68/2006, effective 1.05.2006, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009, SG No. 98/2016, effective 1.01.2017)

Article 69. (1) (Amended, SG No. 38/2005, SG No. 35/2009, effective 12.05.2009, SG No. 100/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013, SG No. 111/2013, effective 1.01.2014, amended and supplemented, SG No. 61/2015, effective 1.01.2016) Servicemen shall acquire entitlement to a pension upon attainment of the age of 52 years and 10 months, subject to having a total of 27 years of contributory service, two-thirds of which actually served as servicemen under the Republic of Bulgaria Defence and Armed Forces Act and/or as reservists actively serving under the Republic of Bulgaria Reserve Armed Forces Act.

(2) (Amended, SG No. 64/2000, SG No. 74/2002, SG No. 67/2003, SG No. 38/2005, SG No. 68/2006, effective 1.05.2006, SG No. 64/2007, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 44/2012, effective 1.07.2012, SG No. 70/2013, effective 9.08.2013, amended, SG No. 61/2015, effective 1.01.2016, SG No. 62/2016, effective 9.08.2016) Civil servants under the Ministry of Interior Act, the Special Intelligence Means Act and the Implementation of Penal Sanctions and Remand in Custody Act, civil servants under Article 11 of the Postal Services Act, civil servants who provide judicial system security under Article 391 of the Judicial System Act shall acquire entitlement to a pension upon attainment of the age of 52 years and 10 months, subject to having a total of 27 years of contributory service, two-thirds of which actually served as civil servants under the said Acts, under the State Agency for National Security Act, as servicemen under the Defence and Armed Forces of Republic of Bulgaria Act.

(3) (New, SG No. 109/2007, amended, SG No. 35/2009, effective 12.05.2009, SG No. 100/2010, effective 1.01.2011, SG

No. 100/2011, effective 1.01.2012, SG No. 14/2015, SG No. 61/2015, effective 1.01.2016) Civil servants under the State Agency for National Security Act shall acquire entitlement to a pension upon attainment of the age of 52 years and 10 months, subject to having a total of 27 years of contributory service, two-thirds of which actually served under the State Agency for National Security Act, as servicemen or under Acts listed in Paragraph (2).

(4) (Supplemented, SG No. 67/2003, amended, SG No. 68/2006, renumbered from Paragraph 3 and supplemented, SG No. 109/2007, amended, SG No. 35/2009, effective 12.05.2009, SG No. 99/2012, effective 1.01.2013, SG No. 111/2013, effective 1.01.2014, SG No. 61/2015, effective 1.01.2016) Persons under Paragraphs (1), (2) and (3) who have served 15 years in positions in flight personnel, paratroopers, submarine crews and diving personnel, shall acquire entitlement to a pension upon attainment of the age of 42 years and 10 months.

(5) (New, SG No. 99/2012, effective 1.01.2013, repealed, SG No. 111/2013, effective 1.01.2014, new, SG No. 79/2015, effective 1.01.2016) Civil servants of the State Intelligence Agency become eligible for retirement upon completion of the age of 52 years and 10 months, provided they have a total of 27 years of pensionable service, of which two-thirds actually served under the State Intelligence Agency Act, in military service or in accordance with the laws as per paras. 1, 2 and 3.

(5a) (New, SG No. 79/2015, effective 1.01.2016) Commissioned and non-commissioned officers of the National Protection Service become eligible for retirement upon completion of the age of 52 years and 10 months, provided they have a total of 27 years of pensionable service, of which two-thirds actually served under the National Protection Service Act, in military service or in accordance with the laws as per paras. 1, 2 and 3.

(6) (New, SG No. 102/2006, renumbered from Paragraph 4, SG No. 109/2007, amended, SG No. 102/2008, SG No. 93/2009, SG No. 88/2010, effective 1.11.2011, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, renumbered from Paragraph 5, SG No. 99/2012, effective 1.01.2013, amended, SG No. 53/2014, SG No. 61/2015, effective 1.01.2016) Employees at the Fire Safety and Protection of the Population Directorate General of the Ministry of Interior who perform any of the activities under Item 6 of Article 17(2) of the Ministry of Interior Act shall acquire entitlement to a pension upon attainment of the age of 52 years and 10 months, subject to having a total of 27 years of contributory service, two-thirds of which actually served within the civil protection system.

(7) (New, SG No. 100/2010, effective 1.01.2011, renumbered from Paragraph 6, SG No. 99/2012, effective 1.01.2013, amended, SG No. 61/2015, effective 1.01.2016) Employees assigned to diving posts at the Fire Safety and Protection of the Population Directorate General of the Ministry of Interior, provided that they have served in their position for 15 years, shall acquire entitlement to a pension upon attainment of the age of 42 years and 10 months.

(8) (New, SG No. 99/2012, effective 1.01.2013, amended, SG No. 111/2013, effective 1.01.2014, SG No. 79/2015, effective 1.01.2016) Pensionable service necessary for becoming eligible for retirement under paras. 1, 2, 3, 5, 5a and 6 shall be calculated in aggregate, whereas pensionable service under paras. 4 and 7 may complement the pensionable service paras. 1, 2, 3, 5, 5a and 6.

(9) (New, SG No. 61/2015, effective 1.01.2016, amended, SG No. 79/2015, effective 1.01.2016) As of 31 December 2016, the retirement age for the persons under Paragraphs (1) to (7) shall be increased, from the first day of each subsequent calendar year, by 2 months until 55 years of age are reached by those under Paragraphs (1), (2), (3), (5), (5a) and (6) and until 45 years of age are reached by those under Paragraphs (4) and (7).

(10) (New, SG No. 61/2015, effective 1.01.2016, amended, SG No. 79/2015, effective 1.01.2016) Persons who have served as servicemen or civil servants under the Acts referred to in Paragraphs (1) to (3), (5) and (5a), persons who have occupied the positions under Paragraphs (4) and (7), and employees who have performed activities under Paragraph (6) shall also be entitled to a pension under the conditions specified in Paragraphs (1) to (9).

Acquisition of Entitlement to Pension by Ballet Dancers and Dancers with Contributory Service at Cultural Organisations

Article 69a. (New, SG No. 100/2010, effective 1.01.2011, amended, SG No. 61/2015, effective 1.01.2016) (1) Persons who have 25 years of contributory service as ballet dancers or dancers employed by cultural organisations shall acquire entitlement to a pension upon attainment of the age of 42 years and 10 months.

(2) As of 31 December 2016, the retirement age for persons referred to in Paragraph (1) shall be increased from the first day of each subsequent calendar year by 2 months, until 45 years of age are reached.

Acquisition of Entitlement to Pension by Persons Working Under the Conditions of Work Categories I and II

Article 69b. (New, SG No. 61/2015, effective 1.01.2016) (1) (Amended, SG No. 99/2017, effective 1.01.2018) Persons who have worked 10 years under the conditions of work category I shall acquire the right to pension under the following conditions:

1. (amended, SG No. 99/2017, effective 1.01.2018) by 31 December 2015 they had attained the retirement age of 47 years and 8 months for women and 52 years and 8 months for men and the sum total of their contributory service and age is 94 for women and 100 for men;

2. as of 31 December 2015, the retirement age under Item 1 shall be increased from the first day of each subsequent calendar year by 2 months for men and by 4 months for women, until 55 years of age are reached.

(2) (Amended, SG No. 99/2017, effective 1.01.2018) Persons who have worked 15 years under the conditions of work category II shall acquire the right to pension under the following conditions:

1. (amended, SG No. 99/2017, effective 1.01.2018) by 31 December 2015 they had attained the retirement age of 52 years and 8 months for women and 57 years and 8 months for men and the sum total of their contributory service and age is 94 and 100 for men;

2. as of 31 December 2015, the retirement age under Item 1 shall be increased from the first day of each subsequent calendar year by 2 months for men and by 4 months for women, until 60 years of age are reached.

(3) (Amended, SG No. 98/2016, effective 1.01.2017, SG No. 99/2017, effective 1.01.2018) The persons who have 10 years of contributory service performed under the conditions of Article 104, Paragraph 3, may retire prior to attainment of the age under Article 68 (1), provided that the sum total of their age and length of contributory service equals 90, and that by 31 December 2015 they have reached the age of 52 years for men and 47 years for women. As of 31 December 2015, the retirement age shall be increased from the first day of each subsequent calendar year by 2 months, until 55 years of age are reached by both men and women.

(4) (Amended, SG No. 99/2017, effective 1.01.2018) If the employment contract of persons who work under the conditions laid down in Article 104 (3) is terminated in pursuance of Items 1 and 2 of Article 328 (1) of the Labour Code, they may retire if at the date of termination of the contract the sum total of their contributory service and age is 90, including 10 years of contributory service under the conditions laid down in Article 104 (3), and they have attained the age of 45 years and 4 months as of 31 December 2017. After 31 December 2017 the age shall be increased from the first day of each subsequent calendar year by 2 months, until reaching 50 years of age by both men and women.

(5) (Amended, SG No. 99/2017, effective 1.01.2018) A pension under Paragraphs (1) – (4) shall be granted where the persons have not acquired entitlement to pension under Article 168 or have changed their insurance under Article 4c.

(6) For the purposes of assessing the entitlement to a pension under Paragraph (2), the contributory service within Work Category I shall supplement the contributory service within Work Category II without transformation.

(7) (Amended, SG No. 99/2017, effective 1.01.2018) A pension under Paragraphs (1) – (4) shall be granted to a person who has not acquired entitlement to a pension under Article 168, where together with the application for pension the person concerned has also filed an application requesting that the funds in his/her individual account with the occupational pension fund be transferred to the Pensions Fund. The transfer application shall be submitted through a territorial division of the National Social Security Institute to the relevant retirement insurance company managing the fund in which the person is insured. Within 7 days of the date of the order for granting a pension, the territorial division of the National Social Security Institute shall forward the application to the respective company, unless the person had changed his/her insurance under Article 4c by that date.

(8) In the cases referred to in Paragraph (7), the retirement insurance company shall transfer the funds to the Pensions Fund of the public social insurance system within one month after receiving the request. Where there are no accumulated funds in the relevant individual account, the retirement insurance company shall notify the National Social Security Institute thereof.

Acquisition of Entitlement to Pension by Teachers

Article 69c. (New, SG No. 61/2015, effective 1.01.2016) (1) Teachers shall acquire entitlement to a contributory-service and retirement-age pension upon attainment of the age of 57 years and 10 months for women and 60 years and 10 months for men, subject to having 25 years and 8 months of contributory service as teachers for women and 30 years and 8 months of contributory service as teachers for men. As of 31 December 2016, the retirement age shall be increased, from the first day of each subsequent calendar year, as follows:

1. Until 31 December 2029, the retirement age for women shall be increased by 2 months per calendar year, and by 3 months per calendar year as of 1 January 2030, until 62 years of age are reached;

2. Until 31 December 2017, the retirement age for men shall be increased by 2 months per calendar year, and by 1 months per calendar year as of 1 January 2018, until 62 years of age are reached.

(2) The persons under Paragraph (1) shall be paid a fixed-period early-retirement pension from the Teachers Pension Fund at an amount determined according to the procedure established by Article 70 herein and reduced by 0.1 per cent for each month short of the age required for acquisition of entitlement to a pension under Article 68 (1) herein.

(3) (Supplemented, SG No. 99/2017, effective 1.01.2018) Teachers who have acquired entitlement to a pension under the terms of Paragraph (1) and retire under the terms established by Article 68 (1) and (2) herein shall be paid contributory-service and retirement-age pensions from the Pensions Fund and supplements from the Teachers Pension Fund amounting to 0.33 per cent of the pension for each month for which a contribution has been paid to the Fund after the acquisition of entitlement to a pension under Paragraph (1). In the case of submission of data regarding supplementary contributory service as teachers after a pension under Article 68 (1) and (2) has been granted, to which supplements from the Teachers Pension Fund are paid, the number of months based on which the supplement is determined shall be increased by the number of months after retirement for which contributions to the same fund have been made.

(4) Teachers who have the contributory service as teachers required under Paragraph (1) and who retire after attaining the age under Article 68(1) shall be paid a full pension out of the Teachers Pension Fund until they attain the age under Article 68 (3). After attainment of the age under Article 68(3), such pension shall be paid at the expense of the Pensions Fund.

(5) Persons occupying positions of teachers and the recognition of contributory service as teachers' contributory service within the meaning of this Code shall be defined in the ordinance referred to in Article 106.

Amount of Pension

Article 70. (Amended, SG No. 64/2000, effective 1.01.2001, supplemented, SG No. 1/2002, amended, SG No. 67/2003, effective 1.01.2004, amended and supplemented, SG No. 57/2006, supplemented, SG No. 105/2006, amended and supplemented, SG No. 113/2007, amended, SG No. 109/2008, effective 1.04.2009, amended and supplemented, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 100/2011, effective 1.01.2012, amended and supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016, SG No. 98/2016, effective 1.01.2017, amended, SG No. 99/2017, effective 1.01.2018) (1) The amount of the contributory-service and retirement-age pension shall be determined by multiplying the income, on the basis of which the pension is calculated, by a percentage for each year of contributory service and the respective proportionate part of the percentage for the months of contributory service. Until 31 December 2016, the percentage shall have a value of 1.1. After that date it shall increase as of the first day of each following calendar year by a percentage equal or greater than the percentage determined using the rule set out in Article 100 (1) until reaching a value of 1.5. The percentage under the first sentence shall be determined annually with the Public Social Insurance Budget Act for the respective year based on the estimated values of the increase in the contributory income and the consumer price index used for the budget preparation.

(2) For persons who have acquired an entitlement to pension under Article 68, Paragraphs (1) and (2), and continue working after acquiring the said entitlement without having been granted a personal pension, the percentage for each year of contributory service past that date shall be 3, and as from 1 January 2012 – 4, and the relevant proportionate part of the said percentages for the months of contributory service. The percentage of each year of contributory service after reaching the age referred to in Article 68, Paragraphs (1) and (2) shall be applicable to the actual calendar contributory service, without conversion, acquired after 31 December 2006.

(3) The income on the basis of which the pension is calculated shall be determined by multiplying the national average monthly contributory income for 12 calendar months prior to the month of granting of the pension by the individual coefficient of the person.

(4) For pensions granted with a starting date before 1 January 2019, the individual coefficient shall be calculated on the basis of the contributory income of the person for three successive years out of the last 15 years of contributory service until 1 January 1997, at the election of the person, and on the basis of the person's contributory income for the period after that date until the date of granting the pension. In the cases where the contributory income of the person until 1 January 1997 is for a period of less than three years, the individual coefficient shall be calculated based on this income. When the individual coefficient for a self-insured person is determined, the income on which social security contributions have been paid shall be taken into account.

(5) For the purpose of calculating the individual coefficient under Paragraph (4), the following shall be determined:

1. the ratio between the average monthly contributory income of the person for the period until 31 December 1996, including the national average monthly wage for the same period as announced by the National Social Security Institute;

2. the ratio between the average monthly contributory income of the person for the period after the 31st day of December 1996 and the national average monthly contributory income for the same period.

(6) The individual coefficient under Paragraph (4) shall be determined by multiplying each of the ratios under Paragraph (5) by the respective number of months for which the said ratio has been established, and by dividing the sum total of the products so arrived by the total number of months included in the two periods. Where the persons have no contributory income after 31 December 1996, the individual coefficient shall be equal to the ratio under Item 1 of Paragraph (5), and where the contributory income falls entirely after that date, the individual coefficient shall be equal to the ratio under Item 2 of Paragraph (5).

(7) The ratio referred to in Item 2 of Paragraph (5) may not exceed the ratio between the maximum contributory income set out in the Public Social Insurance Budget Act and the average monthly contributory income for the country for the same period.

(8) For pensions granted with a starting date after 31 December 2018, the individual coefficient shall be calculated based on the person's contributory income for his/her contributory service after 31 December 1996 until the date of granting the pension. Where the person has no contributory income after 31 December 1996, the individual coefficient shall be calculated in accordance with the procedure established by Item 1 of Paragraph (5) based on the contributory income of the person for three successive years out of the last 15 years of contributory service until 1 January 1997, at the election of the person. In the cases where the contributory income of the person until 1 January 1997 is for a period of less than three years, the individual coefficient shall be calculated based on this income.

(9) The individual coefficient under the first sentence of Paragraph (8) shall be calculated by dividing the sum total of the monthly ratios between the contributory income of the person for the month and the national average contributory income for the same month by the sum total of the ratios between the number of working days to which the contributory income of the person for the respective month refers and the number of working days for that month – for all months after 31 December 1996 participating in the calculation of the individual coefficient. The hours worked by the person shall be calculated in proportion to the statutory working hours.

(10) The contributory income on the basis of which the individual coefficient of a person born after 31 December 1959 is calculated shall be reduced as follows:

1. when the individual coefficient under Paragraph (4) is calculated, the contributory income for the months in which the person was insured in a universal pension fund shall be reduced by the income determined on the basis of a coefficient, which is the weighted average ratio for these months between the amounts of the social insurance contributions to the universal pension fund and to the Pensions Fund for Work Category III of the persons born prior to 1 January 1960, according to a procedure established by an instrument of the Council of Ministers;

2. when the individual coefficient under the first sentence of Paragraph (8) is calculated, the contributory income for each month in which the person was insured in a universal pension fund shall be reduced by the income determined on the basis of the ratio for the respective month between the amount of the social insurance contribution to the universal pension fund and the amount of the contribution to the Pensions Fund for Work Category III of the persons born prior to 1 January 1960.

(11) The contributory income on the basis of which the individual coefficient of a person born after 31 December 1959 is calculated shall not be reduced where at the date of the order for granting the pension the person has changed his/her insurance

under Article 4b. Where at the date of the order for granting the pension the person has resumed his/her insurance in a universal pension fund in accordance with the procedure established by Article 124a, the contributory income shall not be reduced for the months in which the person was not insured in a universal pension fund and the funds accrued on his/her individual account were transferred into the State Fund for Guaranteeing the Stability of the State Pension System. The contributory income of the person shall not be reduced after the transfer of his/her funds under Article 129 (15) to the Pensions Fund or the Pensions Fund for the persons under Article 69, as the case may be.

(12) The minimum amount of the contributory-service and retirement-age pension under Article 68 (1) herein shall be determined by the Public Social Insurance Budget Act.

(13) The amount of the contributory-service and retirement-age pension under Article 68 (3) herein may not be less than 85 per cent of the minimum amount referred to in Paragraph (12).

(14) The amount of a person's pension under Article 68a shall be reduced by 0.4 per cent for each month short of the age required under Article 68 (1).

(15) The amount of the contributory-service and retirement-age pension under Articles 68a, 69, 69a, 69b and 69c herein may not be less than the minimum amount referred to in Paragraph (12).

(16) Upon determination of a pension under an international treaty whereto the Republic of Bulgaria is a party, the contributory income for contributory service acquired under the Bulgarian legislation shall be taken into consideration.

(17) Persons may request recalculation of their pension based on their contributory income during a different three-year period preceding 1 January 1997 within 12 months of the entry into force of the order for the granting of the pension.

Income on Basis of which Pension Is Calculated

Article 70a. (New, SG No. 1/2002) (1) (Supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015, SG No. 54/2015, effective 17.07.2015) The average monthly contributory income shall be determined on the basis of the remuneration or the contributory income on which social insurance contributions have been remitted or are due for the persons under Article 4(1), under Items 5 and 6 of Article 4(3) and (10) herein, and for self-insured persons as well as persons under Article 4a(1) on the basis of the income on which social insurance contributions have been remitted.

(2) Upon determination of the average monthly contributory income, the income during the following periods shall be ignored:

1. of conscription or alternative service;

2. of a child-care leave during which a benefit has been received;

3. of the time counting as contributory service of non-working mothers;

4. (amended, SG No. 100/2010, effective 1.01.2011) the period of study of persons with higher or college education, or periods insufficient to acquire the entitlement to the pension under Article 68(1) and (2) for which the persons concerned have paid insurance contributions entirely at their expense;

5. after the 1st day of January 1996, the period during which a parent (adoptive parent) of a disabled child has taken permanent care after the said child until attainment of the age of 16 years, by reason of which such person has not worked under an employment or civil-service relationship and has not been insured;

6. (amended, SG No. 41/2009, effective 1.07.2009) after the 1st day of January 2001, the period during which a parent (adoptive parent) or spouse have taken care of disabled persons with permanently reduced loss of working capacity/type and degree of disability exceeding 90 per cent who are constantly in need of assistance, by reason of which such persons have not been insured or have not received a pension;

7. the period during which the persons have received an unemployment benefit upon the granting of pensions with a commencement date after the 31st day of December 1999;

8. (new, SG No. 100/2010, effective 1.01.2011) the period of an unpaid leave which is recognised as contributory service, or the period of lawful strike;

9. (new, SG No. 100/2010, effective 1.01.2011, amended, SG No. 58/2012, effective 1.08.2012, SG No. 99/2012, effective 1.01.2013) the period during which the persons concerned have been insured on the grounds of Article 4, Paragraphs 5, 7 and 9.

(3) Where the period used for determination of the individual coefficient includes a time of statutory leave or legitimate strike, the following shall be taken into consideration:

1. for the period of paid leave paid by the employer: the remuneration received for the said leave on which social insurance contributions have been remitted;

2. (amended, SG No. 1/2014, effective 1.01.2014) for the period of leave due to temporary disability, pregnancy and child-birth or upon adoption of a child between 2 and 5 years of age, during which a cash benefit has been received from public social insurance: the income on the basis of which the benefit was calculated;

3. (amended, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 100/2010, effective 1.01.2011).

(4) (Amended, SG No. 105/2006, SG No. 107/2014, effective 1.01.2015) Upon determination of the contributory income for the period until the 31st day of December 2006 for the persons under Article 4 (1) herein, any remunerations that are charged and unpaid shall be ignored.

Section II

Invalidity Pensions

Entitlement to Pension

Article 71. (Amended, SG No. 100/2010, effective 1.01.2011) The persons concerned shall be entitled to an invalidity pension where they have lost their working capacity, in whole or in part, permanently or for an extended period of time.

Determining Invalidity Pension

Article 72. (Amended, SG No. 41/2009, effective 1.07.2009) An invalidity pension shall be granted to persons with permanently reduced working capacity/type and degree of disability equal to 50 per cent and exceeding 50 per cent.

Commencement Date and Duration of Pension

Article 73. (1) (Amended, SG No. 64/2000) The entitlement to invalidity pension shall arise as from the date of disablement and, in respect of persons blind by birth and those who have become blind before entering employment, as from the date of the application under Article 94 herein.

(2) An invalidity pension shall be granted for the period of the disablement.

(3) (Amended, SG No. 1/2002) The invalidity pensions of persons who have attained the age under Article 68 herein shall be granted for life.

Entitlement to Common Disease Invalidity Pension

Article 74. (1) (Supplemented, SG No. 64/2000, previous text of Article 74, SG No. 1/2002) Insured persons shall become entitled to common disease invalidity pension if they have lost their working capacity and have the following contributory service prior to the disablement or, applicable to persons blind by birth and those who have become blind before entering employment, prior to the date of the application under Article 94 herein:

1. persons who have not attained the age of 20 years and persons blind by birth and those who have become blind before entering employment: regardless of the length of contributory service;
2. persons who have not attained the age of 25 years: one year of contributory service;
3. persons who have not attained the age of 30 years: three years of contributory service;
4. (judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 established inconsistency with the provisions of Article 5 (2) of ILO Conventions No. 37 and 38, judgment promulgated, SG No. 55/2000; amended, SG No. 64/2000) persons who have attained the age of 30 years: five years of contributory service;
5. (judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 established inconsistency with the provisions of Article 5 (2) of ILO Conventions No. 37 and 38, judgment promulgated, SG No. 55/2000; repealed, SG No. 64/2000).

(2) (New, SG No. 107/2014, effective 1.01.2015) One-third of the contributory service specified in Items 2, 3 and 4 of Paragraph 1 shall be active.

(3) (New, SG No. 1/2002, renumbered from Paragraph (2), supplemented, SG No. 107/2014, effective 1.01.2015) Persons disabled by birth and persons who have become disabled before entering employment shall acquire entitlement to common disease invalidity pension with one year of active contributory service.

(4) (New, SG No. 112/2004, supplemented, SG No. 109/2008, effective 1.01.2009, renumbered from Paragraph (2), SG No. 107/2014, effective 1.01.2015) A common disease invalidity pension shall not be granted, resumed or re-granted to any persons who have been granted a personal contributory-service and retirement-age pension.

Amount of Common Disease Invalidity Pension

Article 75. (1) (Amended, SG No. 64/2000, SG No. 104/2005, effective 27.12.2005, SG No. 23/2009, effective 1.04.2009, supplemented, SG No. 61/2015, effective 1.01.2016) The amount of the common disease invalidity pension shall be determined by multiplying the income on the basis of which the pension is calculated by the sum total of 1,1 per cent for each year of contributory service and the relevant proportionate part of the percentage for the months of contributory service. After 31 December 2016 the percentage for each year of contributory service shall increase from the first day of each subsequent calendar year by a percentage determined in accordance with Article 70(1).

(2) (Amended, SG No. 104/2005, effective 27.12.2005, supplemented, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) When the insured person has not attained the age under Article 68 (1) on the date of disablement, the difference between the age of the person, who shall, not be younger than 16, and the age under Article 68 (1) shall count as contributory service. Upon determination of the pension, the time counting as contributory service and the relevant proportionate part of the percentage for the months shall be multiplied by the following coefficient:

1. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability exceeding 90 per cent: 0.9;
2. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 0.7;
3. (amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 0.5.

(3) (Repealed, SG No. 64/2000).

(4) The amount of the common disease invalidity pension may not be less than:

1. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability exceeding 90 per cent: 115 per cent of the minimum amount referred to in Article 70 (12) herein;

2. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 105 per cent of the minimum amount referred to in Article 70 (12) herein;

3. (amended, SG No. 1/2002, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 85 per cent of the minimum amount referred to in Article 70 (12) herein.

(5) (New, SG No. 67/2003) The pensions of persons under Item 1 of Article 74 (1) herein, whose contributory service does not exceed one year, shall be determined at the minimum amounts under Paragraph 4. After completion of one year of contributory service, any such pensions shall be determined according to the procedure established by Articles 75 to 77 herein.

Income on Basis of which Common Disease Invalidity Pension Amount Is Calculated

Article 76. (Amended, SG No. 67/2003, effective 1.01.2004, SG No. 99/2017, effective 1.01.2018) The income on the basis of which the amount of the common disease invalidity pension is calculated, shall be determined by multiplying the national average monthly contributory income under Article 70 (3) herein by the individual coefficient of the person.

Individual Coefficient

Article 77. (Supplemented, SG No. 64/2000, amended, SG No. 1/2002, SG No. 100/2010, effective 1.01.2011, SG No. 98/2015, effective 15.08.2015, SG No. 99/2017, effective 1.01.2018) The individual coefficient for determination of the non-occupational disease disability pensions granted with a starting date prior to 1 January 2019 shall be calculated according to the procedure established by Article 70, Paragraphs (4) – (7), Paragraph (10), Item 1 and Paragraph (11), and of pensions granted with a starting date after 31 December 2018, in accordance with the procedure established by Article 70, Paragraphs (8), (9), Paragraph (10), Item 2 and Paragraph (11).

Employment-Injury and Occupational-Disease Invalidity Pension

Article 78. Insured persons who have lost 50 per cent, or over 50 per cent, of their working capacity due to an employment injury or an occupational disease, shall be entitled to an employment-injury or occupational-disease invalidity pension regardless of their contributory service.

Amount of Employment-Injury and Occupational-Disease Invalidity Pension

Article 79. (1) (Amended, SG No. 67/2003, effective 1.01.2004, SG No. 60/2011, effective 5.08.2011, SG No. 98/2015, effective 15.08.2015, SG No. 99/2017, effective 1.01.2018) The amount of the disability pension due to accident at work or occupational disease shall be determined by multiplying the national average monthly contributory income under Article 70 (3) herein by the individual coefficient calculated according to the procedure established by Article 70, Paragraphs (4) – (7), Paragraph (10), Item 1 and Paragraph (11) – for the pensions granted with a starting date until 1 January 2019, and for the pensions granted with a starting date after 31 December 2018 – according to the procedure established by Article 70, Paragraphs (8), (9), Paragraph (10), Item 2 and Paragraph (11), and by the following coefficients:

1. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability over 90 per cent: 0.4;

2. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 0.35;

3. (amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 0.30.

(2) (New, SG No. 61/2015, effective 1.01.2016, amended, SG No. 99/2017, effective 1.01.2018) After 31 December 2016 the coefficients under Paragraph (1), Items 1, 2 and 3 shall increase from the first day of each following calendar year by the percentage of increase under Article 70 (1), third sentence for each year of contributory income under Article 70 (1).

(3) (Renumbered from Paragraph 2, SG No. 61/2015, effective 1.01.2016) The amount of the employment-injury or occupational-disease invalidity pension may not be less than:

1. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability over 90 per cent: 125 per cent of the minimum amount referred to in Article 70 (12) herein;

2. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 115 per cent of the minimum amount referred to in Article 70 (12) herein;

3. (amended, SG No. 64/2000, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: the minimum amount referred to in Article 70 (12) herein.

(4) (New, SG No. 64/2000, renumbered from Paragraph 3, SG No. 61/2015, effective 1.01.2016) The amount of the employment-injury and occupational-disease invalidity pension may not be less than the amount calculated for a common disease invalidity pension.

Section III

Survivor Pensions

Entitlement to Survivor Pension

Article 80. (1) (Amended, SG No. 89/2012, effective 1.01.2013, SG No. 99/2012, effective 1.01.2013) Personal pensions may be transformed into survivor pensions with the exception of civil disability pensions, social pensions for old age, social disability pensions and person-specific pensions.

(2) (Amended, SG No. 1/2002) Entitlement to a survivor pension shall vest in the children, the surviving spouse and the parents.

(3) Renunciation of succession shall not deprive the survivors of the entitlement to a survivor pension.

(4) Receipt of a survivor pension shall not be treated as acceptance of succession.

Determining Survivor Pension

Article 81. (1) The survivor pension shall be determined as a percentage of the personal pension of the deceased insured person as follows:

1. in case of one survivor: 50 per cent;

2. in case of two survivors: 75 per cent;

3. in case of three and more survivors: 100 per cent.

(2) (Supplemented, SG No. 64/2000, effective 1.01.2001, amended, SG No. 57/2006, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) The survivor pension shall be granted as an aggregate amount to all persons entitled to this pension and shall be divided equally among them. The minimum amount of the survivor pension may not be less than 75 per cent of the minimum amount referred to in Article 70 (12) herein.

(3) Upon the death of both parents (adoptive parents), the children shall be entitled to a survivor pension which shall be determined on the basis of the sum total of the pensions of the deceased.

Eligibility Requirements for Granting and Receipt of Survivor Pension

Article 82. (1) (Amended, SG No. 41/2007, effective 1.01.2008, supplemented, SG No. 106/2013, effective 1.01.2014, SG No. 107/2014, effective 1.01.2015, SG No. 98/2016, effective 1.01.2017) Children shall be entitled to a survivor pension until attainment of the age of 18 years, and after attainment of the said age, if they pursue their studies, for the period of the studies, but not later than the attainment of the age of 26 years, as well as above the said age if they pursue their studies and if they became disabled before attainment of the age of 18 or 26 years, respectively. Children that are considered to pursue their studies are determined with the ordinance referred to in Article 106. Children who take internship after graduation are not considered students.

(2) (Amended, SG No. 67/2003, effective 1.01.2003, SG No. 100/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013) The surviving spouse shall be entitled to a survivor pension five years earlier than his/her age under Article 68 (1) herein or before that age if he or she has lost his or her working capacity.

(3) (Amended, SG No. 67/2003, effective 1.01.2003, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 98/2016, effective 1.01.2017) Parents shall be entitled to a survivor pension from the children thereof if they have attained the age under Article 68 (1) herein.

(4) Parents of persons who have died during conscription shall be entitled to a survivor pension regardless of their age.

Types of Survivor Pensions

Article 83. (1) Upon the death of the insured person, survivors shall be granted a pension in accordance with the type of the personal common disease pension or employment-injury or occupational-disease pension that the deceased person would have received as a disabled person with loss of working capacity exceeding 90 per cent.

(2) Where the deceased has acquired entitlement to a contributory-service and retirement-age pension, the survivors shall be granted a survivor pension calculated on the basis of the contributory-service and retirement-age pension, if this is more favourable for them.

(3) (Amended, SG No. 41/2009, effective 1.07.2009) Upon the death of a pensioner who has received a personal common disease or employment-injury or occupational-disease invalidity pension, the amount of the survivor pension shall be determined on the basis of the personal invalidity pension appertaining to the said pensioner for permanently reduced working capacity/type and degree of disability exceeding 90 per cent.

(4) (Amended, SG No. 41/2009, effective 1.07.2009) Upon the death of a conscript serviceman, the survivors thereof shall be granted a pension on the basis of the amount under Article 86 (1) herein, equal to the military invalidity pension appertaining for permanently reduced working capacity/type and degree of disability over 90 per cent.

(5) (New, SG No. 64/2000, amended, SG No. 41/2009, effective 1.07.2009) Upon the death of a pensioner who has received a military invalidity pension, the amount of the survivors' pension shall be determined on the basis of the military invalidity pension appertaining for permanently reduced working capacity/type and degree of disability over 90 per cent, as determined under Article 86 herein.

(6) (New, SG No. 112/2004) Upon the death of a pensioner who has received a personal common disease invalidity pension or a personal contributory-service and retirement-age pension, the survivor pensions shall be granted in the percentages under Article 81 herein, depending on the type of the pension received.

Supplement from Pension of Deceased Spouse

Article 84. (Amended, SG No. 112/2004) (1) (Amended, SG No. 99/2009, effective 1.01.2010, SG No. 49/2010, effective 1.07.2010) A pensioner shall be entitled to a supplement of the pension or of the aggregate pensions which the deceased spouse has received at the following rates.

1. (amended, SG No. 60/2011, effective 5.08.2011) prior to 31 August 2011, 20 percent;
2. (amended, SG No. 60/2011, effective 5.08.2011, SG No. 99/2012, effective 1.01.2013) from 1 September 2011 26.5 percent;
3. (repealed, SG No. 99/2012, effective 1.01.2013);
4. (repealed, SG No. 99/2012, effective 1.01.2013);
5. (repealed, SG No. 99/2012, effective 1.01.2013).

(2) Where the deceased spouse had not received a pension, the supplement under Paragraph 1 shall be determined on the basis of the pension or the aggregate of the pensions to which the deceased spouse was entitled according to the procedure established by Article 83 herein.

(3) A supplement may not be received together with a survivor pension from the same antecessor.

Article 84a. (New, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 100/2010, effective 1.01.2011).

Section IV Non-Work-Contingent Pensions

Military Invalidity Pension

Article 85. (1) Entitlement to a military invalidity pension shall vest in persons who have lost their working capacity by reason of contracting a disease or sustaining an injury during or in connection with:

1. military conscription;
2. inactive duty or reserve service.

(2) Entitlement to a military invalidity pension shall furthermore vest in persons who have sustained an injury while rendering assistance to the armed forces.

(3) The killed and missing persons shall likewise qualify as having sustained an injury within the meaning given by Paragraphs (1) and (2).

Amount of Military Invalidity Pension

Article 86. (1) (Amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009) The amount of the military invalidity pension shall be determined as a percentage of the social old-age pension according to the following table:

	Permanently reduced working capacity		
	over 90 per cent	71-91 per cent	50-70.99 per cent
Privates and non-commissioned officers	150 per cent	140 per cent	115 per cent
Commissioned officers	160 per cent	150 per cent	120 per cent

(2) Where the persons under Article 85 herein have been insured against all social insurance risks or only against employment injury or occupational disease prior to entering conscription or inactive duty, the amount of the military invalidity pension shall be determined as for the employment-injury or occupational-disease pension, if this is more favourable for such persons.

Civil Invalidity Pension

Article 87. Entitlement to a civil disability pension shall vest in persons who have lost their working capacity by reason of contracting a disease or sustaining an injury:

1. in the course of performance of civic duty;
2. accidentally caused by the authorities upon performance of official tasks assigned by the said authorities.

Amount of Civil Invalidity Pension

Article 88. (1) The amount of civil invalidity pensions shall be determined as a percentage of the social old-age pension as follows:

1. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability over 90 per cent: 150 per cent;
2. (amended, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 140 per cent;
3. (amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009) for persons with permanently reduced reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 115 per cent.

(2) The pension of persons who have been insured against all social insurance risks or only against employment injury or occupational disease shall be calculated according to the procedure established for employment-injury or occupational-disease pensions if this is more favourable for such persons.

Article 89. (1) (Amended, SG No. 1/2002, repealed, SG No. 100/2010, effective 1.01.2013 - amended, SG No. 60/2011).

Social Pension for Old Age

Article 89a. (New, SG No. 99/2012, effective 1.01.2013) (1) (Amended, SG No. 99/2017, effective 1.01.2018) Persons who have reached the age of 70 shall be entitled to a social pension where the annual income per family member as at the date of reaching this age is lower than the sum total of the guaranteed minimum income established in the country for the last 12 months. If the request is submitted after the age of 70 is reached and after the expiry of the two-month period referred to in Article 94, the income per family member shall be estimated as at the date of the application.

(2) The amount of the social pension for old age, as well as the conditions for receiving it, shall be determined by the Council of Ministers upon a proposal from the Ministry of Labour and Social Policy and the National Social Security Institute.

Article 90. (1) (Amended, SG No. 41/2009, effective 1.07.2009, repealed, SG No. 100/2010, effective 1.01.2013 -

amended, SG No. 60/2011).

Social Disability Pension

Article 90a. (New, SG No. 99/2012, effective 1.01.2013) (1) Persons, who have reached the age of 16 and have permanently reduced capacity to work/type and degree of disability of over 71 percent, shall be entitled to a social disability pension.

(2) The social disability pension for people with a permanently reduced capacity to work/type and degree of disability of over 90 percent shall amount to 120 percent, and for people with a permanently reduced capacity to work/type and degree of disability of between 71 and 90 percent - to 110 percent of the social pension for old age.

Special Merit Pension

Article 91. (Repealed, SG No. 89/2012, effective 1.01.2013).

Person-Specific Pensions

Article 92. The Council of Ministers may, under terms and according to a procedure established thereby, grant pensions in exceptional cases to persons who do not meet some of the requirements of this Code.

Resources for Payment of Non-Work-Contingent Pensions

Article 93. (Amended, SG No. 15/2013, effective 1.01.2014) The resources for payment of non-work-contingent pensions shall be for the account of the state budget.

Section V General Provisions on Pensions

Date of Granting of Pension

Article 94. (1) (Amended, SG No. 1/2002, previous text of Article 94, SG No. 112/2004, amended, SG No. 100/2011, effective 1.01.2012, amended and supplemented, SG No. 98/2016, effective 1.01.2017, supplemented, SG No. 99/2017, effective 1.01.2018) Pensions and supplements thereto shall be granted as from the date of acquisition of entitlement if the application with the required documents has been submitted within two months after this date. If the documents have been submitted after the expiry of the two-month period since acquisition of the entitlement, the pensions and supplements thereto shall be granted as from the date of the submission of the said documents.

(2) (New, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 99/2012, effective 1.01.2013, repealed, SG No. 107/2014, effective 1.01.2015).

(3) (New, SG No. 112/2004, amended, SG No. 104/2005, effective 27.12.2005, renumbered from Paragraph 2, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 99/2017, effective 1.01.2018) A disability pension and a care benefit shall be granted as from the date of submission of the application to the Territorial Medical Expert Board (National Medical Expert Board), provided the documents required for retirement are submitted to the local division of the National Social Security Institute within one month after the entry into force of the decision of the Territorial Medical Expert Board (National

Medical Expert Board).

(4) (New, SG No. 99/2017, effective 1.01.2018) A survivor pension or a supplement under Article 84 shall be granted from the date following the date of termination of the pension of the deceased pensioner, where the application has been submitted within two months of the date of death of the deceased pensioner.

Suspension of Pension

Article 95. (1) (Previous text of Article 95, SG No. 99/2009, effective 1.01.2010) The pension shall be suspended:

1. at the request of the person;
2. (repealed, SG No. 99/2017, effective 1.01.2018);
3. where the pensioner has not claimed the pension thereof for more than six months;
4. (supplemented, SG No. 99/2017, effective 1.01.2018) where it is not required to be paid under the grounds of Article 101 and is of a more unfavourable amount;
5. (new, SG No. 61/2015, effective 1.01.2016) where the pensioner fails to observe the instructions by the working capacity evaluation authorities as regards contraindicated working conditions.

(2) (New, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015) Officials entrusted with retirement insurance management at the territorial offices of the National Social Security Institute may issue an order to suspend a pension in cases where evidence has been presented attesting to facts which may lead to the pension termination as per Article 96(1). Such orders shall be issued within 14 days upon the submission of evidence. Should it be ascertained that there are no pension termination grounds, the pension shall be resumed from the suspension date onward.

Termination of Pension

Article 96. (1) The pension shall be terminated where:

1. the pensioner dies;
2. (supplemented, SG No. 98/2016, effective 1.01.2017) the child attains the age limit for receipt of a survivor or personal pension, or is adopted;
3. the surviving spouse, who receives a survivor pension, remarries;
4. the grounds for the receipt of the pension lapses;
5. (new, SG No. 99/2017, effective 1.01.2018) where the pensioner fails to present himself or herself for re-certification of the working capacity by evaluation authorities after being formally summoned to do so.

(2) In the cases under Item 1 of Paragraph 1, the pension shall be terminated as from the end of the month during which the pensioner has died, and in the cases under Items (2) to (4) the pension shall be terminated as from the date on which the grounds for termination has occurred.

Resumption and Re-granting of Pension

Article 97. (1) A suspended pension shall be resumed and a terminated pension shall be re-granted acting on a written application by the pensioner when the grounds for the suspension or termination of the pension lapses.

(2) The pension shall be resumed or re-granted as from the day of lapse of the grounds for the suspension or termination thereof, provided the application is submitted within three years after the said date, or as from the date of submission of the said

application, provided the time limit has been missed.

(3) (Supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 99/2017, effective 1.01.2018) A pension suspended under Item 5 of Article 96 (1) shall be resumed as from the date of the suspension thereof if it is ascertained that the pensioner has failed to present himself or herself for re-certification for good reasons.

Procedure for Granting and Modification of Pension

Article 98. (1) (Amended, SG No. 64/2000, SG No. 99/2009, effective 1.01.2010) Pensions and supplements thereto shall be granted, modified, updated, suspended, resumed, terminated and regranted upon an order issued by:

1. officials entrusted with retirement insurance management at the territorial offices of the National Social Security Institute, or other officials appointed by the head of territorial office of the National Social Security Institute;

2. (supplemented, SG No. 100/2010, effective 1.01.2011) officials at the National Social Security Institute who are entrusted with the management of activities pertaining to the granting and payment of pensions under international agreements with respect to persons permanently residing abroad, or other officials appointed by the Governor of the National Social Security Institute.

(2) (Amended, SG No. 105/2005, amended and supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015, SG No. 98/2016, effective 1.01.2017, amended and supplemented, SG No. 99/2017, effective 1.01.2018) The officials referred to in Paragraph (1) shall also issue orders on refund of incorrectly paid pension amounts. The amounts due under the orders shall be collected from the pension of the pensioner. In case the pension has been terminated, the amounts shall be collected under the Tax and Social-Insurance Procedure Code or under Item 1 of Article 110 (5) herein.

(3) Apparent errors of fact in the orders under Paragraphs (1) and (2) shall be corrected by the authority which has issued the said orders. The correction shall be effective as from the day of granting, modification, updating, suspension, resumption, termination and re-granting of the pension.

(4) (New, SG No. 112/2004) The orders under Paragraph 1 regarding invalidity pensions and the attendance supplement shall be issued on the basis of a decision of a medical panel with the local division of the National Social Security Institute. The said medical panel shall consist of a chairperson and two members, who shall be designated by the director of the local division of the National Social Security Institute.

(5) (New, SG No. 112/2004, amended, SG No. 41/2009, effective 1.07.2009, SG No. 59/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) The decisions of the medical panel shall be issued within 14 days after receiving from the Regional Medical Expert Record Offices (RMERO) the expert decisions with determined degree of permanently reduced working capacity equal to 50 per cent and exceeding 50 per cent, after consideration of the medical documentation certifying the present health status of the persons, the decisions of the Territorial Medical Expert Board and the National Medical Expert Board for determining the extent of the permanently reduced working capacity/type and degree of disability, the date of disablement and the period of the disability, the causal relationship, the date of disablement, the period of disability and the period of assistance from another person.

(6) (New, SG No. 112/2004, amended, SG No. 99/2009, effective 1.01.2010, SG No. 59/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) In case the medical panel determines that the expert decisions of the Territorial Medical Expert Board and the National Medical Expert Board have been incorrectly issued, the chairperson of the said panel shall lodge an appeal against the decisions of the medical expert evaluation authorities within 14 days after the said decisions have been received in the respective territorial subdivision of NSSI. Any appeal against the decisions of the Territorial Medical Expert Board shall be lodged with the National Medical Expert Board, and any appeal against the decisions of the National Medical Expert Board shall be lodged with the corresponding administrative court, as per the procedure of the Administrative Procedure Code.

(7) (New, SG No. 112/2004, amended, SG No. 41/2009, effective 1.07.2009, SG No. 99/2009, effective 1.01.2010, SG No. 40/2012) If the decision of the Territorial Medical Expert Board or the National Medical Expert Board is appealed by the chairperson of the medical panel, or as per the procedure of Article 112 of the Health Act, a disability pension shall be granted, resumed or regranted in the amount of the social old age pension, until the entry into effect of the decision of the

National Medical Expert Board, or of the ruling by the court reviewing the appealed decision of the medical expert evaluation authorities, respectively.

(8) (New, SG No. 41/2009, effective 1.07.2009, amended, SG No. 99/2009, effective 1.01.2010, supplemented, SG No. 107/2014, effective 1.01.2015) Following the entry into effect of the decision/ruling under Paragraph 7, the pension shall be granted in the actual amount as from the date of entitlement acquisition, or from the date of pension resuming or regrating, respectively, should the person's working capacity be assessed as being permanently reduced by 50 percent or over 50 percent and the social disability pension is determined in the amount under Article 90a, Paragraph 2 if a percentage for permanently decreased working capacity above 71 percent is determined.

(9) (New, SG No. 99/2009, effective 1.01.2010) No supplements, as per this Code or other statutory instruments, shall be paid to the pension under Paragraph 7.

(10) (New, SG No. 99/2009, effective 1.01.2010) The pension under Paragraph 7 may not be received if another type of pension is concurrently enjoyed.

Revision or Revocation of Directive

Article 99. (1) (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 98/2016, effective 1.01.2017) Any directive under Article 98 herein that has entered into force may be revised or revoked by the authority that has issued it:

1. at the pensioner's request – where the pensioner presents new evidence of:

a) (amended, SG No. 99/2017, effective 1.01.2018) contributory service and/or contributory income acquired prior to retirement, except for the cases referred to in Article 70 (17);

b) civil status;

2. on the initiative of the authority – where it is found that:

a) the pension has been granted on the basis of a false or counterfeited document or a documents making a false statement;

b) the disability for which the pension has been granted was caused by the person deliberately or has occurred as a result of a premeditated crime committed thereby;

c) the death of the pension recipient has been caused deliberately by the survivor or is a result of a deliberate crime committed by the said survivor;

d) the pension has been wrongly granted, or the granting thereof has been wrongly refused;

e) the pension is determined at an incorrect amount.

(2) In the cases under Paragraph 1, the directive shall be revised or revoked:

1. under Item 1: as from the date of presentation of evidence;

2. (amended, SG No. 98/2016, effective 1.01.2017) under Item 2: as from the date of granting or modification of the pension or, in case of misrefusal, as from the date under Article 94 herein.

(3) (New, SG No. 100/2010, effective 1.01.2011) If new evidence of acquired length of contributory service, contributory income, civil status, etc. has been presented within the directive appeal time limit, the directive shall be revoked or modified as from the date of granting, modifying or rejecting the pension.

Updating the pensions

Article 100. (Amended, SG No. 41/2001, SG No. 112/2004, SG No. 104/2005, effective 1.01.2007, SG No. 105/2006, SG No. 100/2011, effective 1.01.2012, SG No. 106/2013, effective 1.01.2014) (1) (Previous text of Article 100, SG No.

107/2014, effective 1.01.2015) The pensions granted by 31 December of the previous year shall be updated from 1 July each year by virtue of a resolution of the Supervisory Board of the National Social Security Institute by a percentage equal to the sum of 50 percent of the increase in the insurance income and 50 percent of the increase in the consumer price index over the previous calendar year.

(2) (New, SG No. 107/2014, effective 1.01.2015) In the event that the percentage referred to in Paragraph 1 is negative, pensions shall not be updated.

Receipt of Multiple Pensions

Article 101. (1) The following pensions may not be received simultaneously:

1. a personal contributory-service and retirement-age pension with a survivor contributory-service and retirement-age pension;
2. a personal or a survivor contributory-service and retirement-age pension with a personal or survivor common disease invalidity pension;
3. a personal common disease invalidity pension with a survivor common disease invalidity pension;
4. (new, SG No. 64/2000, amended, SG No. 100/2010, effective 1.01.2013 - amended, SG No. 60/2011, SG No. 89/2012, effective 1.01.2013, repealed, SG No. 99/2012, effective 1.01.2013);
- 4a. (new, SG No. 99/2012, effective 1.01.2013, supplemented, SG No. 107/2014, effective 1.01.2015, SG No. 98/2015, effective 1.01.2016) a social pension for old age, social disability pension and a person-specific pension with another type of pension, including pension granted in another country;
5. (new, SG No. 98/2016, effective 1.01.2017) a survivor contributory-service and retirement-age pension or a survivor general-sickness invalidity pension with a survival pension of the same type.

(2) Where the person is entitled to more than one personal invalidity pension for various sicknesses, the pension of the largest amount shall be assigned.

(3) (Supplemented, SG No. 64/2000, effective 1.08.2000, amended, SG No. 100/2010, effective 1.01.2013 - amended, SG No. 60/2011, repealed, SG No. 99.2012, effective 1.01.2013).

(3a) (New, SG No. 99/2012, effective 1.01.2013, amended, SG No. 107/2014, effective 1.01.2015) Upon entitlement to multiple pensions, one of the pensions, at the election of the recipient, shall be received in full amount and 50 per cent of the remaining pensions shall be received.

(4) Upon attainment of the age under Article 68 herein, war-disabled persons shall receive the full amount of the two pensions assigned thereto: a military invalidity pension and a contributory-service and retirement-age pension.

(5) Upon granting of a survivor pension to the survivors of a war-disabled person who has received or was entitled to the two pensions under Paragraph 4 in full amount, the full amount of the two pensions shall be taken as a basis.

(6) (New, SG No. 1/2002) Parents may not receive simultaneously a personal and a survivor pension, with the exception of the cases under Paragraph 7.

(7) (Renumbered from Paragraph 6, SG No. 1/2002) Parents of persons who have died during conscription shall receive the full amount of their personal pension and the pension granted under Article 82 (4) herein.

Pension Recalculation

Article 102. (Amended, SG No. 64/2000) (1) (Amended, SG No. 1/2002, SG No. 98/2016, effective 1.01.2017) Persons who have been granted a contributory-service and retirement-age pension, a general-sickness invalidity pension or an employment-injury or occupational-disease invalidity pension may request not more than once a year a recalculation of the pension for contributory service acquired after retirement or for contributory service and contributory income acquired after

retirement, if this is more favourable for such persons. The pension shall be recalculated according to the procedure established by Article 70 or by Articles 75 to 77 herein, respectively.

(2) (New, SG No. 104/2005, effective 27.12.2005, supplemented, SG No. 99/2017, effective 1.01.2018) For the purposes of recalculation under Paragraph (1) the national average monthly contributory income for 12 calendar months prior to the month of the first granting of the pension shall be taken into account, and thereafter the pension shall be updated, recalculated and indexed in accordance with the legal framework effective after the date of pension granting.

(3) (Renumbered from Paragraph 2, SG No. 104/2005, effective 27.12.2005, repealed, SG No. 98/2016, effective 1.01.2017).

(4) (New, SG No. 104/2005, effective 27.12.2005, amended, SG No. 99/2009, effective 1.01.2010) In respect of the pensions granted prior to the 1 January 2000, the national average monthly contributory income for 2007 shall be taken into consideration for the purpose of recalculation.

(5) (New, SG No. 100/2010, effective 1.01.2011) When recalculating a pension, the contributory service after 31 December 2010 shall not be converted as per the procedure laid down in Article 104.

(6) (New, SG No. 61/2015, effective 1.01.2016, amended, SG No. 99/2017, effective 1.01.2018) Where pensions are recalculated according to Article 68a, the amount of their reduction under Article 70(14) shall not change.

Attendance Supplement

Article 103. (Amended, SG No. 41/2009, effective 1.07.2009) Pensioners with permanently reduced working capacity/type and degree of disability exceeding 90 per cent who constantly need attendance shall receive a supplement to the pension assigned thereto at the amount of 75 per cent of the social old-age pension.

Work Categories

Article 104. (1) The Council of Ministers shall determine which type of work belongs to which category depending on the nature and the specific working conditions.

(2) (Supplemented, SG No. 1/2002, amended, SG No. 67/2003) Upon retirement on grounds of contributory service and retirement age, the contributory service shall be transformed with three years of contributory service under Category I or four years under Category II counting as five years of service under Category III.

(3) (Amended, SG No. 64/2000) For workers, engineers and technical experts and managerial employees up to mine over-man inclusive, hired for work underground in deep mines, in underground prospecting and hydraulic-engineering projects. in tunnel and deep mine construction, one year of contributory service under Work Category I shall count as three years of contributory service under Work Category III.

(4) The contributory service of the persons under Article 69 herein shall be transformed with three years of actually worked time counting as five years of contributory service under Work Category III.

(5) For persons under Article 69 herein, who are members of the flight personnel of jet-propelled aviation, the submarine crews and members of the diving personnel, one year of actually worked time shall count as three years of contributory service under Work Category III.

(6) (Amended, SG No. 82/2006) For persons under Article 69 herein, who are members of the flight personnel of propeller-driven aviation, the paratroopers, servicemen posted at the guard parties with the border police precincts and on board surface ships, one year of actually worked time shall count as two years of contributory service under Work Category III.

(7) (Amended, SG No. 35/2009, effective 12.05.2009) For persons under Article 69 herein, in case of participation in operations and missions outside the country's territory with a high level of risk, as well as in case of participation in combat operations in time of war, one year of actually worked time shall count as three years of contributory service under Work

Category III.

(8) (New, SG No. 35/2009, effective 12.05.2009) For the persons under article 69 in case of participation in operations and missions outside the country's territory with a low level of risk one year actually served time shall be deemed two years social security time of category three.

(9) (New, SG No. 60/2011, effective 5.08.2011) The contributory service of the persons referred to in Article 69a shall be converted by counting 4 years of contributory service as a ballet dancer or dancer employed by cultural organisations as 5 years of contributory service in Work Category III.

(10) (New, SG No. 99/2012, effective 1.01.2013, supplemented, SG No. 98/2016, effective 1.01.2017) The work category, as well as the activity under Articles 69 and 69a, may not be proved with witness testimony. No testimony shall be admitted for establishing the working conditions and the position held, where written evidence issued by the employer/insurer, with which the work is done, while the work was done, has not been presented.

Prescription

Article 105. (1) Entitlement to pension shall not be extinguished by prescription.

(2) (Amended, SG No. 109/2008, effective 1.01.2009) A pension claim shall be extinguished upon the lapse of a three-year prescription period after 1 January in the year following the year to which it relates.

Secondary Legislation

Article 106. The application of this Chapter and the payment of pensions shall be regulated by an act of the Council of Ministers.

Chapter Seven CONTROL

Control Authorities

Article 107. (Amended, SG No. 1/2002, SG No. 105/2005) (1) (Previous Article 107, SG No. 106/2013, effective 1.01.2014) Control over compliance with the statutory instruments on public social insurance in connection with the activity assigned to the National Social Security Institute shall be exercised by the control authorities of the National Social Security Institute.

(2) (New, SG No. 106/2013, effective 1.01.2014) Control authorities of the National Social Security Institute shall be:

1. the social insurance inspectors in the regional offices of the National Social Security Institute;
2. medical doctors - experts on temporary disability in the regional offices of the National Social Security Institute;
3. officials, assigned by an order of the Governor of the National Social Security Institute or the Head of the corresponding regional office to carry out financial audits and inspections of the expenditure of the public social insurance, as well as of the compliance with statutory instruments in the field of public social insurance in connection with the activities conferred to the National Social Security Institute.

Rights of Control Authorities

Article 108. (Amended, SG No. 1/2002, supplemented, SG No. 45/2002, SG No. 38/2004, SG No. 104/2005, effective 27.12.2005, amended, SG No. 105/2005, SG No. 41/2007, SG No. 98/2010, supplemented, SG No. 99/2012, effective 1.01.2013, amended, SG No. 35/2014, SG No. 12/2015, SG No. 98/2016, effective 1.01.2017) (1) The control authorities of the National Social Security Institute, in the performance of their official duties:

1. shall conduct inspections and audits in connection with the activity assigned to the National Social Security Institute;
2. shall establish administrative violations of legislation in the field of public social security and of the provisions relating to the activity assigned to the National Social Security Institute;
3. shall issue mandatory prescriptions for compliance with the provisions in the field of public social security and of the activity assigned to the National Social Security Institute;
4. may require from natural persons and legal entities and the divisions thereof to declare their bank accounts in Bulgaria and abroad, as well as to submit documents related to their employment and economic activity;
5. may require from medical expertise authorities and medical treatment institutions to provide documents relating to the medical expertise of the temporary inability to work and to submit data into the register under Article 33, Paragraph 5, Item 12;
6. shall have the right to access to work premises and sites subject to control.

(2) Natural and legal persons shall be obligated to present to the control authorities of the National Social Security Institute all documents, information, reference briefs, declarations, explanations and data mediums requested by the said authorities in connection with the observance of social security legislation in connection with the activity assigned to the National Social Security Institute, as well as to assist the said authorities in the performance of their official duties.

(3) The Governor of the National Social Security Institute shall issue instructions on the procedure and manner of conducting the control and audit activity by the control authorities of the National Social Security Institute.

(4) The control authorities of the National Social Security Institute shall be mandatorily insured against accident for the account of the public social security budget.

(5) The Governor of the National Social Security Institute shall assign an audit within 14 days of receiving the audit report of the Chairperson of the National Audit Office under Article 57, Paragraph 1 of the National Audit Office Act, in order to pursue pecuniary or administrative penal liability.

(6) The authorities of the Ministry of Interior shall render assistance to the control authorities of the National Social Security Institute upon exercise of their powers.

Alerting Function of National Social Security Institute Control Authorities

Article 108a. (New, SG No. 67/2003, amended, SG No. 105/2005) Where the control authorities of the National Social Security Institute establish that documents making a false statement have been drawn up in connection with social insurance payments effected, the said authorities shall be obligated to notify the prosecuting authorities.

Prohibition of Other Activities

Article 109. (1) The employees of the control authorities of the National Social Security Institute may not perform additional work related to their official duties, under an employment or civil-law relationship with another employer. They may not perform any activity related to their official duties as sole traders, partners in commercial and other corporations, cooperatives and other organizations.

(2) (Amended, SG No. 1/2002) National Social Security Institute employees shall be obligated to respect the confidentiality and not use for any purposes other than the immediate performance of the duties in the relevant position, all facts and circumstances regarding the insured persons and the social insurance contributors which came to their knowledge in connection

with the performance of their official duties, even after a termination of their contract. Such facts and circumstances may be provided to a judicial authority or to another state body under terms and according to a procedure established by the Governor of the National Social Security Institute in accordance with the effective statutory instruments.

Audit Deficit Deeds

Article 110. (1) (Amended, SG No. 99/2017, effective 1.01.2018) The controlling authorities of the National Social Security Institute shall draw up audit deficit deeds to natural persons, legal persons and/or social insurance contributors:

1. (amended, SG No. 67/2003, SG No. 105/2005, SG No. 59/2010, SG No. 100/2011, effective 1.01.2012) for all detriment caused by such persons to public social insurance as a result of incorrectly paid social insurance expenditure, including as a result of incorrectly certified insurance service or contributory income and as a result of medical expertise acts, which have been repealed on the grounds of violations of the statutory provisions at the time of their issuing;

2. (repealed, SG No. 105/2005);

3. (repealed, SG No. 1/2002);

4. (repealed, SG No. 105/2005);

5. (new, SG No. 1/2002, amended, SG No. 105/2005, repealed, SG No. 105/2006).

(2) The persons liable under the audit deficit deeds as drawn up may lodge objections within seven days after the service of the said acts. The control authority shall pronounce on the objection by a reasoned conclusion.

(3) (Amended, SG No. 105/2005, SG No. 100/2010, effective 1.01.2011, SG No. 98/2015, effective 1.01.2016) For collection of amounts under audit deficit deeds, the official who is entrusted with direction of the control over the public social insurance expenditures at the respective division of the National Social Security Institute, or another official designated by the Head of the division, shall issue orders. The orders shall be issued within 14 days after the expiry of the time limit under Paragraph 2. These orders shall be subject to voluntary compliance within 14 days after their service.

(4) (Amended, SG No. 112/2004, SG No. 34/2006, SG No. 105/2006, SG No. 100/2010, effective 1.01.2011, SG No. 98/2016, effective 1.01.2017) The orders, the deficit deeds and the mandatory prescriptions shall be served personally on the liable persons against signed acknowledgement of service or shall be mailed thereto with an advice of delivery. If the person cannot be reached at the address according to commercial registration, at the permanent address thereof or at the place of work thereof, service shall be effected by posting a notice of the drawing up of the document subject to service at a place at the local division of the National Social Security Institute designated for this purpose, on the National Social Security Institute Internet site, or in the municipality or mayoralty. In such a case, the orders, the deficit deeds and the mandatory prescriptions shall be presumed served upon the lapse of seven days after posting of the notice.

(5) (Supplemented, SG No. 112/2004, amended, SG No. 105/2005, SG No. 106/2013, effective 1.01.2014) The amounts under the orders, which have not been paid voluntarily, shall be collected through:

1. (amended, SG No. 1/2002, SG No. 67/2003, SG No. 105/2005) a distraint of the bank accounts of the debtors and of persons connected therewith for public social insurance claims;

2. (supplemented, SG No. 67/2003) levy of execution against the movable and immovable things of the debtors and the claims thereof from third parties;

3. (new, SG No. 1/2002, amended, SG No. 45/2002, SG No. 105/2005) levy of execution against amounts restituted by an authority of the National Revenue Agency on a distrained account held by the debtor;

4. (new, SG No. 112/2004, repealed, SG No. 105/2006).

(6) (Amended, SG No. 1/2002, SG No. 105/2005) The accounts of persons liable to public social insurance shall be distrained by means of a dispatch of a distraint notice by the director of the local division of the National Social Security Institute to the banks, which shall immediately transfer the amounts due to an account of public social insurance. The distraint imposed on the debtor's account with the bank shall be effective in respect of all branches of the said bank. The distraints shall

be presumed imposed as from the hour on the respective date when the distraint notice is received at the bank. In case the resources available on the debtor's account are insufficient, the bank shall notify the local division of the National Social Security Institute within seven days of the reasons for which the distraint has not been executed.

(7) (New, SG No. 1/2002, amended, SG No. 67/2003) Any person, who or which pays the debtor any claims distrained under this Code, shall be liable jointly with the debtor for the amounts paid, up to the amount of the obligation, together with the interest under Article 113 herein after payment. Where the payment is effected by a legal person or unincorporated association, the manager or the members of the managing body, or a managing partner, who have authorized the payment, shall be liable together with the debtor. The authorities under Paragraph 3 shall issue orders for collection of the amounts and may impose securing measures as well.

(8) (New, SG No. 64/2000, renumbered from Paragraph 7, SG No. 1/2002, amended, SG No. 106/2013, effective 1.01.2014) The authority which has imposed the distraint may authorize with a justified decision that a specified portion of the amounts which have been or are credited to an account held by the debtor be left at the disposal of the said debtor. The decision and the refusal to issue a decision shall not be subject to appeal.

(9) (Renumbered from Paragraph 7, SG No. 64/2000, renumbered from Paragraph 8, SG No. 1/2002, supplemented, SG No. 105/2005, amended, SG No. 105/2006) Public social insurance claims resulting from miseffected social insurance expenditures shall be settled in the following order: principal, interest and costs. Cession of public social insurance claims resulting from incorrectly paid social insurance expenditures shall be prohibited.

(10) (Renumbered from Paragraph 8, SG No. 64/2000, renumbered from Paragraph 9, amended, SG No. 1/2002, SG No. 105/2005, SG No. 105/2006) Collection of claims through enforcement against the movable or immovable things of the debtor and the claims from third parties shall be effected according to the procedure established by the Tax and Social-Insurance Procedure Code . The claim to the public enforcement agent shall be submitted by the director of the local division of the National Social Security Institute.

(11) (Renumbered from Paragraph 9, SG No. 64/2000, renumbered from Paragraph 10 and amended, SG No. 1/2002, supplemented, SG No. 112/2004, repealed, SG No. 104/2005).

(12) (Renumbered from Paragraph 10, SG No. 64/2000, renumbered from Paragraph 11 and amended, SG No. 1/2002, repealed, SG No. 105/2005).

Pecuniary Penalties for Banks

Article 111. (Amended, SG No. 64/2000, SG No. 1/2002, SG No. 10/2002, SG No. 67/2003, amended and supplemented, SG No. 105/2005, repealed, SG No. 94/2012, effective 1.01.2013).

Recording Obligations

Article 112. (Amended, SG No. 1/2002, SG No. 105/2005, SG No. 34/2006, repealed, SG No. 105/2006).

Interest on Claims of National Social Security Institute and for Supplementary Compulsory Retirement Insurance

(Heading amended, SG No. 112/2004)

Article 113. (1) (Amended, SG No. 67/2003, effective 1.01.2004, previous text of Article 113, SG No. 53/2004, supplemented, SG No. 112/2004, amended, SG No. 105/2005, SG No. 94/2012, effective 1.01.2013, SG No. 106/2013, effective 1.01.2014) The claims for unremitted public social insurance contributions, for supplementary compulsory retirement insurance and for incorrectly paid social insurance expenditures shall be collected with interest at a rate equal to the statutory interest rate.

(2) (New, SG No. 53/2004, repealed, SG No. 99/2009, effective 1.01.2010).

Restitution of Misreceived Amounts

Article 114. (Amended, SG No. 64/2000, supplemented, SG No. 1/2002, amended, SG No. 67/2003, supplemented, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010) (1) Any amounts for social insurance payments received in bad faith shall be restituted by the recipients with the interest under Article 113 herein.

(2) (Supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 107/2014, effective 1.01.2016, amended, SG No. 98/2016, effective 1.01.2017) Amounts received in good faith for insurance payments are not refundable by the insured persons with the exception of the following cases, in which their refund is with no interest until the expiry of the deadline for voluntary compliance:

1. (amended, SG No. 99/2017, effective 1.01.2018) specified in Article 40 (7), Article 54f and Item 2 of Article 54l (2);
2. in the cases where, after their payment, new documents or data are presented relevant to determining the entitlement, amount and duration of payments;
3. in the cases of changes to or termination of a compensation or pension as a result of evidence obtained in the course of the implementation of the provisions of international agreements to which the Republic of Bulgaria is a party.

(3) (Supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 106/2013, effective 1.01.2014) Officials entrusted with the management of public social insurance expenditure control at the relevant territorial offices of the National Social Security Institute, or other officials appointed by the head of regional office, shall issue a restitution order in respect of amounts referred to in Paragraphs 1 and 2. The order shall be subject to voluntary compliance within 14 days from the date when the order is served. In such cases no audit deficit deeds in accordance with Article 110, Paragraph 1 shall be issued. Orders shall be handed over to the persons in accordance with the procedure of Article 110, Paragraph 4.

(4) (New, SG No. 106/2013, effective 1.01.2014) Pension and cash benefit amounts, unduly paid with regard to periods after the death of the entitled person, shall be collected from the person who has received them or jointly from the heirs. The official entrusted with the management of the control over public social insurance expenditure at the relevant regional office of the National Social Security Institute shall issue an order in respect of the collection of such amounts, which shall be handed over in accordance with the procedure of Article 110, Paragraph 4. Such order shall be subject to voluntary compliance within 14 days from the date when the order is served.

(5) (Amended, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 99/2012, effective 1.01.2013, repealed, renumbered from Paragraph 4, supplemented, SG No. 106/2013, effective 1.01.2014, amended, SG No. 99/2017, effective 1.01.2018) Any amounts due under orders which have not been paid voluntarily within the timeline under Paragraph (3) shall be subject to coercive enforcement under Item 1 of Article 110 (5) herein or under the Tax and Social-Insurance Procedure Code, or through a set-off against payable receivables of the insured person from the state social security system. Such deductions shall be made by order of any official entrusted with the management of public social insurance expenditure control at the relevant territorial office of the National Social Security Institute, or another official appointed by the head of regional office.

(6) (New, SG No. 100/2010, effective 1.01.2011) Any due diligence disputes shall be resolved as per the procedure laid down in Chapter Eight, by a decision of the head of the relevant local division of the National Social Security Institute.

Deductions from cash benefits, allowances and pensions

Article 114a. (New, SG No. 100/2010, effective 1.01.2011) (1) (Supplemented, SG No. 106/2013, effective 1.01.2014, amended, SG No. 98/2016, effective 1.01.2017) No attachments under the Code of Civil Procedure or the Tax and Social Insurance Procedure Code may be imposed to cash benefits and allowances paid under this Code, nor may any deductions be made, other than deductions related to obligations for public social insurance or obligations to pay support as well as in the case of deductions in accordance with the procedure of Article 114 (5).

(2) (Supplemented, SG No. 106/2013, effective 1.01.2014) When determining the income from pensions subject to attachments under the Code of Civil Procedure or the Tax and Social Insurance Procedure Code, or when making deductions related to claims due for public social insurance as well as in the case of deductions in accordance with the procedure of Article 114, Paragraph 5, the supplements to the relevant pension shall also be taken into account, excluding the attendance supplement.

(3) (New, SG No. 98/2016, effective 1.01.2017) Deductions from pensions to recover unduly received amounts for social security payments shall be in the following amounts:

1. where the pensioner receives up to BGN 300.00 a month – one-seventh of the pension;
2. where the pensioner receives between BGN 300.01 and BGN 400.00 a month – one-sixth of the pension;
3. where the pensioner receives between BGN 400.01 and BGN 500.00 a month – one-fifth of the pension;
4. where the pensioner receives between BGN 500.01 and BGN 700.00 a month – one-third of the pension;
5. where the pensioner receives more than BGN 700.01 – one half of the pension.

(4) (New, SG No. 98/2016, effective 1.01.2017) Receivables shall be collected in the following order: obligations to pay support, unduly paid amounts for social security payments, other public receivables, and private receivables.

Prescription

Article 115. (1) (Supplemented, SG No. 1/2002, amended, SG No. 105/2005, SG No. 41/2007, supplemented, SG No. 109/2008, effective 1.01.2009, amended, SG No. 107/2014, effective 1.01.2015, SG No. 99/2017, effective 1.01.2018) The claims of the National Social Security Institute for incorrectly paid social insurance payments, mispaid cash benefits and overpaid pensions and the interest thereon shall be extinguished upon the lapse of a five-year prescription period after 1 January in the year following the year to which they relate. All public claims shall be extinguished upon the expiry of a ten-year period of prescription, reckoned from 1 January of the year following the year for which they refer, regardless of any suspension or interruption of the prescription, except in the cases where the obligation has been deferred or the enforcement has been suspended at the debtor's request.

(2) (Supplemented, SG No. 1/2002, amended and supplemented, SG No. 67/2003, amended, SG No. 109/2008, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 99/2012, effective 1.01.2013, renumbered from Paragraph 4, SG No. 106/2013, effective 1.01.2014) The claims due from public social insurance shall be extinguished upon the lapse of a three-year prescription period after 1 January in the year following the year to which they relate. The official who is entrusted with direction of the control over the expenditure over public social insurance at the respective division of the National Social Security Institute shall issue a directive on the claim for restitution of amounts. Any such directive shall be appealable according to the procedure established by Article 117 herein.

(3) (Renumbered from Paragraph 2, SG No. 106/2013, effective 1.01.2014) Prescription shall be tolled:

1. upon the entry into effect of a directive ascertaining the claim;
2. (repealed, SG No. 109/2008);
3. upon initiation of enforced execution actions.

(4) (Renumbered from Paragraph 2, SG No. 106/2013, effective 1.01.2014) A new prescription period shall begin to run from the tolling of the prescription.

(5) (New, SG No. 106/2013, effective 1.01.2014) The prescription period shall be suspended:

1. in the case of appeal - until the dispute on the account receivable is resolved;
2. where another administrative or judicial proceedings have been initiated, on which the issuing of the order or the granting of cash benefits or allowances under this Code depends.

Rescheduling of Obligations

Article 116. (Amended, SG No. 1/2002) (1) (Amended, SG No. 105/2005) A rescheduling according to an approved repayment schedule of the payment of amounts due in respect of the claims ascertained and collected by the National Social Security Institute may be allowed at the request of debtors to public social insurance.

(2) Rescheduling shall be allowed where it is established that the cash at hand available to the debtor is insufficient to cover the obligations thereof to the public social insurance funds; however, after assessment of the activity of the said debtor, it can be reasonably presumed that such difficulties are temporary and in case of rescheduling of the obligations the debtor will be able to settle the obligations thereof and to pay the current obligations thereof to the public social insurance funds and the other public obligations.

(3) (Amended, SG No. 67/2003) The debtor shall owe the interest under Article 113 herein for the period of rescheduling.

(4) (Supplemented, SG No. 42/2003, amended, SG No. 41/2007) Rescheduling shall not be allowed in respect of a merchant subject to a decision on dissolution through liquidation or where against bankruptcy proceedings have been instituted, as well as after the manner of sale under Article 238 of the Tax and Social-Insurance Procedure Code is determined.

(5) The request under Paragraph 1 shall enclose:

1. evidence of financial and economic condition of the debtor and a long-term development programme: applicable to a sole trader, a legal person or an entity equivalent thereto;

2. a declaration on all other public obligations, including the interest thereon, as well as on all obligations to private creditors and the interest thereon;

3. a repayment schedule for rescheduling of obligations;

4. a profit and loss account of the debtor for the preceding accounting financial year;

5. a balance sheet for the preceding accounting financial year and for the last reporting period;

6. a statement of the obligations of the social insurance contributor at the date of the request for rescheduling, which shall include:

(a) amounts due to public social insurance, health insurance and supplementary compulsory retirement insurance funds;

(b) amounts due to own staff;

(c) other public obligations;

(d) other obligations;

7. other documents at the discretion of the rescheduling authority.

(6) (New, SG No. 99/2012, effective 1.01.2013) Where the request for rescheduling has been made by a natural person, a declaration of his/her income during the last 12 months preceding the calendar month, in which the request has been made, shall be enclosed with the request.

(7) (Renumbered from Paragraph 6, SG No. 99/2012, effective 1.01.2013) The decision on rescheduling shall be issued by:

1. (supplemented, SG No. 53/2004, amended, SG No. 12/2015) the director of the local division of the National Social Security Institute: for obligations not exceeding BGN 10,000 for a period of up to one year, and for obligations of registered farmers and tobacco producers for a period of up to two years;

2. (supplemented, SG No. 53/2004, amended, SG No. 12/2015) the Governor of the National Social Security Institute: for obligations exceeding BGN 10,000 and not exceeding BGN 100,000 for a period of up to three years, and for obligations of registered farmers and tobacco producers for a period of up to five years;

3. (supplemented, SG No. 53/2004, amended, SG No. 12/2015) the Supervisory Board of the National Social Security Institute: for obligations exceeding BGN 100,000 for a period of up to three years, and for obligations of registered farmers and tobacco producers for a period of up to five years.

(8) (Renumbered from Paragraph 7, SG No. 99/2012, effective 1.01.2013) The authorization shall specify the deadline, the redemption payments and other conditions, including the consequences of a failure to comply with them.

(9) (Renumbered from Paragraph 8, SG No. 99/2012, effective 1.01.2013) The prescription of public social insurance claims shall be tolled for the period of the rescheduling.

(10) (Renumbered from Paragraph 9, SG No. 99/2012, effective 1.01.2013) A refusal of rescheduling shall be unappealable.

(11) (New, SG No. 53/2004, amended, SG No. 30/2006, effective 12.07.2006, renumbered from Paragraph 10, SG No. 99/2012, effective 1.01.2013, amended, SG No. 12/2015) Any refusal to reschedule or defer obligations of registered farmers and tobacco producers shall be appealable according to the procedure established by the Administrative Procedure Code.

(12) (New, SG No. 67/2003, renumbered from Paragraph 10, SG No. 53/2004, repealed, SG No. 105/2005, renumbered from Paragraph 11, SG No. 99/2012, effective 1.01.2013).

Chapter Eight DISPUTES

Administrative Appeals

(Heading amended, SG No. 98/2016, effective 1.01.2017)

Article 117. (1) Appeals may be lodged with the director of the competent local division of the National Social Security Institute against:

1. (amended, SG No. 105/2006, supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 98/2016, effective 1.01.2017) misdetermination or mispayment of cash benefits under Chapter Four herein or allowances;

2. orders:

(a) (supplemented, SG No. 99/2009, effective 1.01.2010) for refusal or misdetermination or mismodification and suspension of pensions, supplements and compensations thereto;

(b) (new, SG No. 1/2002) for refusal or misdetermination, mismodification, missuspension and mistermination of the unemployment benefits;

(c) (renumbered from Littera (b), SG No. 1/2002) for collection of amounts under audit deficit deeds;

(d) (renumbered from Littera (c), SG No. 1/2002) for acknowledgement or non-acknowledgement of the employment nature of an injury;

(e) (renumbered from Littera (d), SG No. 1/2002) for restitution of misreceived public social insurance payments;

(f) (renumbered from Littera (e), SG No. 1/2002, repealed, SG No. 105/2005, new, SG No. 105/2006) for refusal of payment of cash benefits under Chapter Four herein or allowances;

(g) (new, SG No. 105/2006, amended, SG No. 100/2010, effective 1.01.2011, SG No. 106/2013, effective 1.01.2014) under Article 40(4), Article 54d(4) and 114(3), (4) and (5);

3. (new, SG No. 99/2012, effective 1.01.2013) mandatory prescriptions of the control authorities referred to in Article 108,

Paragraph 1, Item 3;

4. (new, SG No. 98/2016, effective 1.01.2017) refusals to issue certificates on contributory service and income by the authorities of the National Social Security Institute, refusals for issuing of certificates for usage of prevention and rehabilitation financial assistance, and refusals to certify contributory service and income in social security cards;

5. (new, SG No. 98/2016, effective 1.01.2017) the contents of a document certifying contributory service and contributory income, issued by the authorities of the National Social Security Institute.

(2) (Amended, SG No. 1/2002, SG No. 67/2003, SG No. 105/2005, SG No. 105/2006, supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 98/2015, effective 1.01.2016, SG No. 98/2016, effective 1.01.2017) Appeals referred to in Paragraph 1 shall be filed in writing within the following deadlines:

1. against the directives under Item 2, letter "a" – within one month of their receipt;

2. against the directives under Item 2, letters "b" – "g", mandatory prescriptions under Item 3, refusals under Item 4 and the contents of a document under Item 5 – within 14 days of their receipt.

(3) (Amended, SG No. 106/2013, effective 1.01.2014, SG No. 98/2016, effective 1.01.2017) The director of the local division shall pronounce on the appeals or claims by a reasoned decision within one month after receipt of the said appeals or claims. By the decision, the director of the local division of the National Social Security Institute shall decide on the claim based on its merits or revoke the order and return the file for new consideration by the competent administrative authority, where not all circumstances relevant to the issuing of the order have been clarified.

(4) (New, SG No. 64/2000, amended, SG No. 99/2009, effective 1.01.2010, SG No. 107/2014, effective 1.01.2015, SG No. 98/2016, effective 1.01.2017) The directives issued by the official under Article 98, Paragraph 1, Item 2 may be appealed before the Governor of the National Social Security Institute within one month, and the directives under Article 98, Paragraph 2 – within 14 days of their receipt. The decision shall be prepared within the time limit and under the procedure established by Paragraph 3.

(5) (Renumbered from Paragraph 4, SG No. 64/2000) The decisions and communications in connection with the consideration of appeals and claims shall be drawn up according to the procedure established by the Administrative Procedure Code.

(6) (Renumbered from Paragraph 5, SG No. 64/2000, repealed, SG No. 45/2002).

Stay of Execution

Article 117a. (New, SG No. 45/2002) (1) (Amended, SG No. 100/2010, effective 1.01.2011) An appeal of the orders under Article 114 or Article 117(1)(2) herein shall not stay the execution thereof.

(2) (Amended, SG No. 100/2010, effective 1.01.2011) Execution of the orders under Article 114 or Article 117(1)(2)(c) herein shall be stayed at the request of the liable person, if the said person furnishes a collateral security amounting to the principal and interest.

(3) The request for staying of execution shall be submitted simultaneously with the appeal, attaching evidence of the collateral security furnished.

(4) Legal interest on the principal shall be owed for the period of the suspension.

Appeals through Court

(Heading amended, SG No. 100/2010, effective 1.01.2011,

SG No. 98/2016, effective 1.01.2017)

Article 118. (1) (Amended, SG No. 30/2006, effective 1.03.2007, supplemented, SG No. 98/2016, effective 1.01.2017) The decision of the director of the local division shall be appealable before the administrative court within 14 days after its

receipt. The appeal shall be submitted care of the director of the local division, who shall be obligated to forward the said appeal together with the case file to the court within seven days. The contents of a document under Article 117, Paragraph 1, Item 5, and the decision whereby the head of the territorial unit of the National Social Security Institute has pronounced on the appeal against the contents of such document are not appealable before a court.

(2) (New, SG No. 100/2010, effective 1.01.2011) The decision of the Governor of the National Social Security Institute under Article 117(4) may be appealed within 14 days upon its receipt to Sofia Administrative Court. The appeal shall be lodged via the Governor of the National Social Security Institute who shall forward it to the Court along with the case file within 7 days.

(3) (Amended, SG No. 30/2006, effective 12.07.2006, renumbered from Paragraph 2, SG No. 100/2010, effective 1.01.2011) The court shall hear the cases according to the procedure established by the Administrative Procedure Code.

Stay of Execution by Court

Article 118a. (New, SG No. 45/2002) (1) (Supplemented, SG No. 98/2016, effective 1.01.2017) A judicial appeal of the decisions of the director of the local division of the National Social Security Institute and the Governor of the National Social Security Institute, issued regarding the orders under Item 2 of Article 117(1) herein, shall not stay the execution of the said decisions.

(2) (Amended, SG No. 30/2006, effective 1.03.2007) Execution may be stayed by the administrative court under the terms established by Article 177a (2) and (4) herein in respect of the decisions issued regarding the orders under Item 2 (c) of Article 117 (1) herein. The request for stay of execution shall be submitted simultaneously with the lodgement of the appeal, and the court shall pronounce within seven days.

(3) A refusal by court to stay execution shall be unappealable.

Cassation Appeal

Article 119. (Amended, SG No. 30/2006, SG No. 41/2007) The judgments of the administrative court shall be subject to cassation appeal according to the procedure established by the Administrative Procedure Code.

Exemption from Stamp Duty

Article 120. (1) The insured persons and the pensioners shall not pay any stamp duty for cases under this Chapter.

(2) If the appeal is granted, the appellant shall be entitled to an award of the costs incurred and the fee paid for a defence counsel in proportion to the part granted.

PART TWO SUPPLEMENTARY SOCIAL INSURANCE

(Heading amended, SG No. 67/2003)

TITLE ONE

(New, SG No. 67/2003)

SUPPLEMENTARY SOCIAL INSURANCE COMPANIES

Chapter Nine

INCORPORATION, LICENSING AND MANAGEMENT OF SUPPLEMENTARY SOCIAL INSURANCE COMPANIES (Heading amended, SG No. 67/2003)

Section I

(New, SG No. 67/2003)

General Provisions

Implementation of Supplementary Social Insurance

Article 120a. (New, SG No. 67/2003, supplemented, SG No. 56/2006) Supplementary social insurance shall be implemented through participation in universal and/or occupational pension funds, supplementary voluntary retirement insurance funds and/or funds for supplementary voluntary retirement insurance under occupational schemes and in supplementary voluntary unemployment or vocational-training insurance funds, which shall be incorporated and managed by retirement insurance companies or by supplementary voluntary unemployment and/or vocational-training insurance companies licensed according to the procedure established by this Code.

Regulation and Control

Article 120b. (New, SG No. 67/2003) (1) The State shall exercise effective regulation and control over the activity of supplementary social insurance companies and funds for the purpose of protecting the interests of the insured persons and the pensioners.

(2) The supervision over the activity of supplementary social insurance companies and funds shall be exercised by the Financial Supervision Commission, hereafter referred to as "the Commission".

(3) The Commission and the Deputy Chairperson of the Commission in charge of the Social Insurance Supervision Department, hereafter referred to as "the Deputy Chairperson of the Commission", shall exercise the supervisory powers thereof in accordance with this Code and the Financial Supervision Commission Act.

Language

Article 120c. (New, SG No. 92/2017) (1) Documents of retirement insurance companies and supplementary voluntary unemployment and/or vocational-training insurance companies and of their social insurance intermediaries, relating to the supplementary social insurance activity and provided to consumers, the Commission and the Deputy Chairperson of the Commission, shall be prepared in the Bulgarian language.

(2) Another language may also be used in the relations between consumers and supplementary voluntary insurance companies or social insurance intermediaries, as the case may be, where this has been agreed between the parties.

Section II

(New, SG No. 67/2003)

Retirement Insurance Companies

Definition

Article 121. (Amended, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) "Retirement insurance company" shall be a joint-stock company licensed in accordance with this Code and registered under the Commerce Act or under the legislation of another Member State.

(2) The objects of a retirement insurance company shall be limited to supplementary retirement insurance.

(3) A retirement insurance company may not effect commercial transactions which are not directly related to the activity thereof.

(4) Retirement insurance companies may establish not-for-profit associations for representation of common interests and for implementation of joint projects.

(5) A retirement insurance company may not participate in any civil-law companies and in any commercial corporations as a general partner, nor acquire any shares in other retirement insurance companies.

(6) (Amended, SG No. 22/2015, effective 24.03.2015, SG No. 92/2017) A retirement insurance company shall conduct its operations:

1. pursuant to this Code and the statutory instruments on the application hereof;

2. in accordance with its articles of association, the rules on the organisation and operation of the supplementary retirement insurance fund managed thereby, its investment policy, and the internal instruments adopted in accordance with Article 123f (4), Item 5, letters "a", "f", "g" and "i", Item 6 and Item 8;

3. in accordance with the other internal instruments adopted by the company pursuant to the requirements of this Code and the statutory instruments on the application hereof.

Business Name

Article 121a. (New, SG No. 67/2003) (1) The business name of a retirement insurance company shall mandatorily include a collocation of the words "retirement" and "insurance" or any derivatives of the said words.

(2) Companies which do not hold a licence to carry out supplementary retirement insurance activity may not use in the business names thereof any collocation of the words referred to in Paragraph 1 or any words of equivalent meaning in the Bulgarian or any foreign language.

Promoters and Shareholders

Article 121b. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) The promoters and shareholders of retirement insurance companies may be:

1. resident natural or legal persons;

2. natural persons who are nationals of another Member State;

3. legal persons having their registered office in another Member State;

4. (amended, SG No. 92/2017) foreign legal persons other than those referred to in Item 3, which are registered as a social insurance institution, insurance institution or another financial institution under their national legislation and are subject to specialised financial supervision.

(2) The persons covered under Paragraph 1 may hold shares only in a single retirement insurance company which carries out an activity in Bulgaria.

Shares and Capital

Article 121c. (New, SG No. 67/2003) (1) A retirement insurance company may issue solely registered dematerialized shares entitling the holder to a single vote.

(2) The minimum amount of capital of a retirement insurance company shall be BGN 5,000,000.

(3) (Amended, SG No. 92/2017) The capital of the retirement insurance company must be fully paid up in cash at the time of submission of the application for obtaining a pension licence or, as the case may be, at the date of submission of the application for registration in the Commercial Register in the event of subsequent capital increase. Capital contributions to a retirement insurance company made by promoters and shareholders may not be made with loan funds, funds of unproven origin or funds obtained as a result of illegal activity.

(4) A retirement insurance company must, at any time, dispose of equity capital (capital base) amounting to not less than 50 per cent of the minimum amount of capital referred to in Paragraph 2.

(5) A retirement insurance company may not distribute dividends in amounts and in a manner which would lead to a breach of the requirements referred to in Paragraph 4.

(6) (Amended, SG No. 92/2017, effective 18.11.2018) When the equity capital (capital base) of a retirement insurance company falls below the amount specified in Paragraph (4), the said company shall notify the Commission within three days and shall submit, within 14 days of the moment when the equity capital falls below the required amount, a rehabilitation programme for bringing the equity capital into conformity with the requirements of this Code within three months. Where the failure to comply with the requirement under Paragraph (4) is established by the Deputy Chairperson of the Commission, the Commission, upon a proposal from the Deputy Chairperson of the Commission, shall order the retirement insurance company to develop a rehabilitation programme within a time period that can not be longer than 14 days.

(7) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission, upon a proposal from the Deputy Chairperson of the Commission, shall approve or shall refuse to approve the rehabilitation programme within 14 days after receipt of the said programme. The Commission shall refuse to approve the programme where the proposed measures do not ensure compliance with the requirement under Paragraph (4) or do not guarantee the interests of the insured persons and the pensioners.

(8) During the period of implementation of the rehabilitation programme, the retirement insurance company may not distribute dividends and must transfer to the Reserve Fund the entire amount of the profit after levy of due taxes.

(9) (Amended, SG No. 92/2017) In case of disapproval of the programme or of a failure to implement the approved programme, the Commission shall take the actions under Item 7 and/or Item 19 of Article 344 (2) herein.

(10) (Amended, SG No. 92/2017, effective 18.11.2018) The requirements to the composition and structure of the equity capital (capital base) of a retirement insurance company, to the minimum liquid resources of the company and of the supplementary retirement insurance funds managed thereby, as well as to the structure and contents of the rehabilitation programme shall be established by an ordinance of the Commission.

(11) (New, SG No. 56/2006) Where it carries out an activity abroad, provides cover against biometrical risks or guarantees a minimum level of return or amount of the pensions, the retirement insurance company which manages a fund for supplementary voluntary retirement insurance under occupational schemes shall hold on a permanent basis, in addition to the technical provisions referred to in Item 2 of Article 213a (1) herein, own funds to serve as a buffer for fulfilment of the obligations assumed.

(12) (New, SG No. 56/2006) The amount of own funds referred to in Paragraph 11 shall be determined on the basis of the

types of risks covered and the assets held in respect of the relevant occupational schemes. The said assets shall be held free of all foreseeable liability and shall serve as a safety capital to absorb discrepancies between the anticipated and the actual expenses and profits.

(13) (New, SG No. 56/2006) Rules established by the ordinance referred to in Paragraph 10 shall apply to the calculation of the minimum amount of the own funds referred to in Paragraph 11.

(14) (New, SG No. 92/2017) Where, in the course of financial supervision, it is found that in reports and statements the retirement insurance company has calculated the amount of reserves it is obliged to establish under this Code, the value of the assets, liabilities, income and expenditure or other indicators in breach of this Code and of the statutory instruments on the application thereof, the Commission, on a proposal from the Deputy Chairperson of the Commission, may order that a new calculation of each of these indicators is performed.

Loans

Article 121d. (New, SG No. 67/2003) (1) A retirement insurance company may not extend loans or become a guarantor to third parties.

(2) A retirement insurance company may contract a loan amounting to up to 10 per cent of the equity capital (capital base) of the company if the loan is intended for acquisition of tangible fixed assets which are directly necessary for the performance of the activity of the company and the term of the loan is not longer than three months.

(3) A retirement insurance company may not issue bonds.

Requirements for and Responsibility of Members of Management and Supervisory Bodies

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 121e. (New, SG No. 67/2003, amended, SG No. 103/2005, SG No. 92/2017, effective 18.11.2018) (1) The members of the management and the supervisory body of the retirement insurance company or of the board of directors, the other persons authorised to manage it or represent it, as well as the persons who perform managerial functions in the company must satisfy the following requirements for qualification and reliability:

1. to possess the professional qualification, knowledge and experience that are adequate for the stable and prudent management of the company (qualification);
2. to have good reputation and integrity (reliability).

(2) (*) (Supplemented, SG No. 103/2017, effective 1.01.2018) The members of the management and the supervisory body of the retirement insurance company shall collectively have the required qualification in all relevant areas of activity.

(*) *This amendment refers to the text before its revision in SG No. 92/2017, effective 18.11.2018.*

(2) Eligibility for membership shall be limited to natural persons and to representatives of legal persons who:

1. have graduated from a higher educational establishment;
2. (supplemented, SG No. 103/2017, effective 1.01.2018) have not been convicted for a premeditated offence at public law, which for Bulgarian citizens shall be established ex officio;
3. have not been members of managing or supervisory bodies of, nor general partners in, any commercial corporation or cooperative dissolved by reason of bankruptcy in case any creditor has been left unsatisfied, or in case bankruptcy proceedings have been initiated thereagainst;

4. have not been members of managing or supervisory bodies of any commercial banks which have adjudicated bankrupt or where against bankruptcy proceedings have been initiated;
5. are not disqualified from occupying a position of property accountability;
6. are not spouses of any other members of the same managing or supervisory bodies, nor any lineal or collateral relatives to any such members up to the fourth degree of consanguinity, nor any affines thereto up to the fourth degree of affinity;
7. are not members of a managing or supervisory body of any other company having the same objects;
8. are not members of managing or supervisory bodies of any legal persons, nor be themselves natural persons included in the list under the Act on Information Regarding Non-Performing Loans;
9. have not carried on, and do not carry on, security or similar business;
10. have not been partners or shareholders, nor members of a managing or supervisory body of any commercial corporation carrying on security or similar business.

(3) The retirement insurance company shall be managed and represented by at least two executive directors or by an executive director and a managerial agent, acting together. The said persons may not delegate the overall management and representation of the retirement insurance company to any of them, but may empower third parties to perform specified acts.

(4) The management and the supervisory body of the retirement insurance company shall adopt and implement rules and procedures ensuring that the persons covered under Paragraph (1) satisfy at all times the requirements for qualification and reliability.

(5) A member of the management board, the board of directors or a managerial agent of a retirement insurance company may only be an individual with full legal capacity who:

1. holds an educational qualification degree not lower than Master, conferred thereon upon graduation from a higher educational establishment, in a speciality appropriate for the management of the company;
2. has professional experience as required in Paragraph (6);
3. has not been convicted for a premeditated offence at public law, as well as for crimes of negligence against property and against the economy, conducted in the Republic of Bulgaria or abroad, unless where rehabilitated;
4. has not been deprived of the right to hold an office accountable for assets;
5. has not been a member, within the three years preceding the initial date of insolvency ruled by the court, of a management or control body or a general partner in a company, with regard to which bankruptcy proceedings have been initiated or which has been dissolved due to bankruptcy, where creditors still remain unsatisfied;
6. is not in bankruptcy proceedings and is not an insolvent debtor whose rights have not been reinstated;
7. within the one year immediately preceding the deed of the respective competent authority, has not been a member of a management or a control body, a general partner or a managerial agent in a company whose licence has been withdrawn and whose activity is subject to licensing, except in cases where the licence has been withdrawn at the request of the company, or if the order for withdrawal of the issued licence has been repealed in due order;
8. has not been dismissed from a management or control body of a commercial company or as a managerial agent on the basis of a coercive administrative measure imposed, except in cases where the order issued by the competent authority has been repealed in due order;
9. is not a spouse of any other member of a management body or a supervisory body of the company, and is not a lineal relative to any such person up to and including the fourth degree of consanguinity or a collateral relative to any such person up to and including the third degree of consanguinity, and does not actually cohabit with such a member;
10. is not a member of a management or control body of another retirement insurance company conducting business in the

country;

11. he has not been subject to administrative penalties over the last three years for systematic violations of this Code, other laws governing the non-banking financial sector, the Credit Institutions Act and of the statutory instruments on the application thereof, or of the relevant legislation of another Member State;

12. on the basis of the information collected about him/her, does not give rise to suspicions about his/her reliability, and is not in a situation of conflicts of interest.

(6) Professional experience within the meaning of Paragraph (5), Item 2 shall be in place if the person has, for at least 5 years:

1. held an office in a management or control body of a retirement insurance company, an insurer, a reinsurer, a bank or another undertaking in the financial sector where the activity of the financial sector undertaking is commensurate with that of the retirement insurance company;

2. performed managerial functions relating to the management or investing of assets in an undertaking in the non-financial sector whose assets are commensurate with the assets managed by the retirement insurance company;

3. worked in government institutions or other public legal entities whose main functions include management and control of national or international public financial assets or management, control and investment of funds in funds established by a statutory instrument, provided that his/her responsibilities were related to the core activity of such institutions and entities, and the assets managed, controlled or invested thereby are commensurate with the assets managed by the retirement insurance company;

4. performed managerial functions in government institutions conducting operations in the field of social security and finance or the supervision of these fields.

(7) A member of the supervisory body of a retirement insurance company can be:

1. a natural person of full legal capacity who meets the requirements under Paragraph (5), Items 1 and 3 – 12, or

2. a legal entity which meets respectively the requirements under Paragraph (5), Items 5 – 8 and 10 – 12.

(8) Representatives of a legal entity – member of the supervisory body of a retirement insurance company shall satisfy the requirements under Item 1 of Paragraph (7).

(9) The following cannot be members of a management or supervisory body, representatives of a legal entity in a supervisory body or managerial agents of a retirement insurance company:

1. any person referred to in Paragraph (1) of Article 123c, with whom the company has contractual relationships;

2. any custodian bank with which the company has concluded a contract for custodian services;

3. any person who is in close links with a person referred to in Item 1 or Item 2;

4. any partner, shareholder, member of a management or control body of a person referred to in Item 1 or Item 2.

(10) The persons referred to in Paragraphs (5) and (7) shall be subject to approval by the Commission before being elected by the competent authority of the company, and the persons referred to in Paragraph (8) – before being designated by the relevant legal entity. To obtain an approval, they shall submit an application completed in a standard form endorsed by the Deputy Chairperson of the Commission, attaching thereto:

1. applicable to the persons referred to in Paragraph (5) herein:

a) higher education diploma;

b) documents certifying their professional experience;

c) criminal record (certificate of criminal convictions) or a similar document for foreigners;

d) statement in a standard form approved by the Deputy Chairperson of the Commission on the circumstances under Paragraph (5), Items 4 – 11 and Paragraph (9) herein;

2. applicable to the persons referred to in Paragraph (7), Item 1 and Paragraph (8) herein:

a) higher education diploma;

b) criminal record (certificate of criminal convictions) or a similar document for foreigners;

c) statement in a standard form approved by the Deputy Chairperson of the Commission on the circumstances under Paragraph (5), Items 4 – 11 and Paragraph (9) herein;

3. applicable to the persons referred to in Paragraph (7), Item 2 – statement in a standard form approved by the Deputy Chairperson of the Commission on the circumstances under Paragraph (5), Items 5 – 8, 10 and 11 and Paragraph (9) herein.

(11) The Deputy Chairperson of the Commission may require that, within a time limit set thereby but not longer than one month:

1. the documents specified in Paragraph (10) be corrected or supplemented to eliminate inconsistencies with the provisions of this Code and of the statutory instruments on the application thereof;

2. the applicant, the competent authorities in the country and abroad or third parties submit documents and/or information regarding the applicant, respectively regarding the persons controlling it, the members of its management and supervisory bodies and its managerial agents.

(12) The Deputy Chairperson of the Commission shall table before the Commission a proposal for approval or refusal to approve the applicant under Paragraph (10) within one month from the filing of the application, and where additional documents or information are requested from the applicant or other persons, or instructions are given for the removal of discrepancies under Paragraph (11) – within one month of their submission. Where the documents or information requested from other persons are submitted after the documents and information submitted by the applicant, the Deputy Chairperson of the Commission shall inform the applicant of the deadline for tabling the proposal. In the cases where the requested additional documents or information are not submitted, the Deputy Chairperson of the Commission shall table the proposal before the Commission within one month of the expiry of the time limit set for their submission. The Commission shall render a reasoned decision within one month after submission of the proposal.

(13) The Commission shall refuse to give approval where the applicant referred to in Paragraph (10):

1. does not satisfy the requirements specified herein;

2. with its activity or influence on decision-making could jeopardize the soundness of the company or its operations;

3. has not submitted the requested documents within time limit set in Paragraph (11);

4. has submitted documents containing untrue data.

(14) The approval by the Commission of a person referred to in Paragraph (5), (7) or (8) herein shall be issued for taking up a position in a management or supervisory body of a specific retirement insurance company and shall be terminated if, within one year of its issuance, the person referred to in Paragraph (5), (7) or (8) has not been elected by the competent body of the company, and the person referred to in Paragraph (8) has not been designated by the relevant legal entity.

(15) Any person referred to in Paragraph (5), (7) or (8) herein, who or which ceases to fulfil the requirements set out in this Article, shall immediately notify the management and supervisory body of the company and the Commission. In such a case, the said person shall not have the right to perform the functions thereof and shall not receive compensation.

(16) The members of the management or of the supervisory body of a retirement insurance company shall incur personal pecuniary liability for any detriment caused thereby upon management of the supplementary retirement insurance fund which are directly and immediately resulting from the culpable acts or omissions thereof.

(17) Resolutions made by the management and the supervisory body and transactions closed in violation of the second sentence of Paragraph (15) shall be valid if the person who committed the violation is liable before the retirement insurance company and the supplementary retirement insurance fund for the damages caused.

Independent members

Article 121e1. (New, SG No. 92/2017, effective 18.11.2018) (1) At least one third of the board of directors or the supervisory board of the retirement insurance company shall comprise independent members – natural persons.

(2) An independent board member:

1. must satisfy the requirements covered under Paragraph (5) of Article 121e herein;

2. may not be:

a) an employee at the retirement insurance company;

b) a person who is in close links with the retirement insurance company;

c) a person who is in lasting trade relations with the retirement insurance company;

d) a member of a management or control body, a managerial agent or an employee of a person under letter "b" or letter "c";

e) a person who is in close links with another member of a management or supervisory body of the retirement insurance company.

(3) Article 121e, Paragraphs (1), (2), (4), (6), (9) – (14), (16) and (17) shall apply accordingly to independent members.

(4) Applicants for independent members shall certify the requirements under Paragraph (2), Item 1 with the documents specified in Article 121e, Paragraph (10), Item 1, and the absence of the circumstances under Paragraph (2), Item 2 – with a statement.

(5) Any independent member, who ceases to fulfil the requirements set out in Paragraph (2), shall not have the right to perform the functions thereof and receive compensation, and shall immediately notify the relevant body of the retirement insurance company and the Commission.

Management and Representation of the Retirement Insurance Company

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 121f. (New, SG No. 67/2003, amended, SG No. 92/2017, effective 18.11.2018) (1) At least one of the persons managing and representing the retirement insurance company shall be fluent in the Bulgarian language.

(2) Persons managing and representing a retirement insurance company shall not have the right to hold another position under an employment agreement, except as associates in research institutes or lecturers in higher education institutions. They shall manage the company by attending in person its registered office.

(3) Members of the management and supervisory bodies of the retirement insurance company and its managerial agents shall be obliged to:

1. perform their duties competently, in good faith and prudently, in the best interest of the insured persons and the pensioners;

2. put the interests of insured persons and pensioners in the retirement funds managed by the company before their own interest and the interest of the company;

3. observe in their actions the applicable legislation and the instruments adopted by the company in accordance with the requirements of the Social Insurance Code and the statutory instruments on the implementation thereof;

4. avoid conflicts of interests and, should any such conflicts arise, disclose the said conflicts in writing, promptly and fully to the relevant body of the company, and not participate in nor influence the making of decisions relating to the case concerned;

5. respect confidentiality regarding any non-public information relating to the supplementary retirement insurance activities, insured persons and pensioners, including after they have ceased to be members of the relevant bodies;

6. adopt and ensure the implementation in the company's activities of the organisation and rules required to ensure compliance

by the company with:

- a) this Code and the secondary instruments on the application thereof;
- b) the directly applicable European Union legislation in the field of supplementary retirement insurance and its supervision, and the implementing instruments of the competent authorities of the European Union;
- c) the provisions of the internal regulations of the retirement insurance company required pursuant to this Code and the secondary instruments on the application thereof;

7. treat fairly, objectively and impartially all managed retirement funds and to all insured persons and pensioners;

8. monitor the efficiency and effectiveness of supplementary retirement insurance activities, including by assessing the actions and performance of social insurance intermediaries and other persons with which contracts have been contracted to carry out certain activities.

(4) The retirement insurance company may not conclude transactions with members of their management and supervisory body and parties who are in close links thereto, except in their capacity as members of the relevant body, shareholders of the retirement insurance company, persons insured in the funds managed by the company or pensioners.

Requirements to Shareholders

Article 121g. (New, SG No. 67/2003, amended and supplemented, SG No. 56/2006, effective 15.07.2006, supplemented, SG No. 43/2010, amended, SG No. 92/2017, effective 18.11.2018) (1) Any person who, either alone or in agreement with another person, directly or indirectly has a qualifying holding in the capital of the retirement insurance company, must:

1. satisfy the requirements under Article 121e, Paragraph (5), Items 3 – 8, Item 10 and Item 11 herein, where they are a natural person;
2. satisfy the requirements under Article 121e, Paragraph (5), Items 5 – 8, Item 10 and Item 11 herein, where they are a legal entity;
3. to have conducted business for at least three years as of the date of filing the application under Paragraph (4), where they are a legal entity;
4. not have defaulted on any obligations to the State or the municipalities;
5. be financially stable;
6. with regard to such person, there shall no be data based on which it could reasonably be assumed that money laundering within the meaning of the Measures Against Money Laundering Act or financing of terrorism within the meaning of the Measures Against the Financing of Terrorism Act was, is or was perpetrated or intended to be perpetrated in relation to the acquisition, or that the implementation of the acquisition applied for would increase such risk;
7. be of good standing;
8. not hold, either alone or in agreement with another person, direct or indirect qualifying holding in the capital of another retirement insurance company licensed in accordance with this Code.

(2) The requirements under Paragraph (1), Item 1 shall also apply to natural persons who are members of management and control bodies of a legal entity as referred to in Paragraph (1), as well as to natural persons who represent a legal entity as referred to in Paragraph (1).

(3) (*) (Supplemented, SG No. 103/2017, effective 1.01.2018) Any person who or which intends, on their own or in agreement with another person, to acquire directly or indirectly a qualifying holding in the capital of a retirement insurance company or to increase its holding therein, as a result of which such holding will become a qualifying holding or will reach or exceed the thresholds of 20, 33 or 50 per cent of the capital, shall apply for an advance authorisation by the Commission. The authorisation shall be issued upon a proposal from the Deputy Chairperson of Commission.

(*) *This amendment refers to the text before its revision in SG No. 92/2017, effective 18.11.2018.*

(3) To obtain an authorization referred to in Paragraph 2, the person shall submit an application completed in a standard form endorsed by the Deputy Chairperson of the Commission, attaching thereto:

1. (supplemented, SG No. 103/2017, effective 1.01.2018) documents, including declarations, certifying the relevant circumstances referred to in Article 121b (2), Items 2 to 5, 7 and 8 of Article 121e (2) and Article 122a (3) herein, and the circumstances under Item 2 of Article 121e (2) for Bulgarian citizens shall be established ex officio;
2. a declaration completed in a standard form endorsed by the Deputy Chairperson of the Commission, as to whether the person is or is not connected with another shareholder in the retirement insurance company;
3. a current certificate of entry in the Commercial Register: applicable to a legal person;
4. the annual financial statements for the last three years, as well as a financial statement for the last quarter preceding the submission of the application: applicable to a legal person.

(4) To obtain an authorisation under Paragraph (3), the person shall submit an application completed in a standard form endorsed by the Deputy Chairperson of the Commission, attaching thereto the documents specified in Paragraph (2) of Article 122a.

(5) Where the acquisition of the qualified holding will be followed by a change of control over the retirement insurance company, the applicant shall also submit an operational plan, which shall include:

1. the main objectives of the acquisition and the ways of achieving them (justification of the acquisition, medium-term financial objectives, significant circumstances relating to the including of the retirement insurance company in the group structure of the applicant, including a description of the policy that will direct the relationships within the group);
2. a description of the impact of the acquisition on the management of the retirement insurance company and its structure.

(6) The Deputy Chairperson of the Commission may require that, within a time limit set thereby but not longer than one month:

1. the documents specified in Paragraphs (4) and (5) be corrected or supplemented to eliminate inconsistencies with the provisions of this Code and of the statutory instruments on the application thereof;
2. the applicant, the competent authorities in the country and abroad and third parties submit documents and/or information regarding the applicant, the persons controlling it, the members of its management and supervisory bodies and its managerial agents.

(7) The Commission shall give or refuse to give an authorisation under Paragraph (3) within one month from the filing of the application, and where additional documents and/or information are requested from the applicant or from other persons, or instructions are given for the removal of discrepancies under Paragraph (6) – within one month of their submission. Where the documents or information requested from other persons are submitted after the documents and information submitted by the applicant, the Deputy Chairperson of the Commission shall inform the applicant of the deadline within which the Commission shall rule on the case. In the cases where the requested additional documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission.

(8) The Commission shall refuse to issue an authorisation referred to in Paragraph (3) where:

1. the applicant or the person controlling it does not meet the requirements specified under this Code;
2. the applicant fails to submit the required documents or they do not satisfy the requirements of this Code and of the instruments on its implementation;
3. the submitted documents contain untrue data;
4. the amount of the applicant's capital, the assets owned thereby and/or its business, in terms of scale and financial results, are

not in line with the holding to be acquired;

5. the origin of the funds with which the applicant will acquire direct or indirect holding in the capital of the retirement insurance company has not been proved or the funds have been obtained as a result of criminal or other illegal activity;

6. the requirements or difficulties in implementation of individual statutory or administrative acts of a third country governing the applicant or other persons that are in close links therewith may prevent the exercise of effective supervision;

7. with its activity or influence on decision-making the applicant could jeopardize the soundness of the company or its operations.

(9) The Commission can refuse to issue an authorisation where it cannot identify the actual owners (actual beneficiaries) who hold directly or indirectly 10 and more than 10 per cent of the voting rights in the general meeting or the capital of the applicant.

(10) When issuing an authorisation the Commission can specify a time limit within which the acquisition shall be completed and after the expiry of which the issued authorisation shall become invalid. Upon request from the applicant, this time limit may be extended where justified reasons so require.

(11) Where an authorisation under (3) is required, "Central Depository" AD, hereinafter referred to as the "Central Depository", shall make the respective registrations in connection with the acquisition of the shares of the retirement insurance company only upon presentation of the issued authorisation.

Notification

Article 121h. (New, SG No. 92/2017, effective 18.11.2018) (1) The Central Depository shall notify the Commission of the name, address and amount of the shareholding of each person acquiring one or over one per cent of the shares of a retirement insurance company or increasing its holding in the capital of the company, so that such holding reaches or exceeds the above threshold, within 7 days of the registration of the acquisition.

(2) Each person who or which receives an authorisation under Article 121g, Paragraph (3) shall be obliged to notify the Commission within 7 days of acquiring the holding in the capital of the retirement insurance company.

(3) Any person who or which holds, either alone or in agreement with another person, direct or indirect qualifying holding in the capital of a retirement insurance company and decreases its holding or increases its holding without having to obtain an authorisation under Article 121g, Paragraph (3) shall be obliged to notify the Commission within 7 days of such change.

(4) In the event of changes in the actual owners (actual beneficiaries) who hold 10 and more than 10 per cent of the capital of a retirement insurance company, the company shall submit to the Commission, using a standard form endorsed by the Deputy Chairperson of the Commission, information regarding this circumstance within 14 days of becoming aware of such change.

Pension Licence

Article 122. (Amended, SG No. 67/2003) (1) To carry out a supplementary retirement insurance activity, a joint-stock company must obtain a pension licence from the Commission.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) The pension licence shall entitle the holder to carry out a supplementary retirement insurance activity after obtaining a supplementary retirement insurance fund management authorisation from the Commission. Any such authorisation shall be issued separately for each fund.

Documents Required for Obtaining Pension Licence

Article 122a. (New, SG No. 67/2003, amended, SG No. 34/2006, SG No. 43/2010, amended and supplemented, SG No. 21/2012, amended, SG No. 92/2017, effective 18.11.2018) (1) To obtain a licence to carry out a supplementary retirement insurance activity, a company shall submit to the Commission an application in writing completed in a standard form endorsed

by the Deputy Chairperson of the Commission, enclosing therewith:

1. the minutes of proceedings at the Statutory Meeting;
2. the articles of association as adopted at the Statutory Meeting;
3. the decision of the Supervisory Board on election of a Management Board and the decision of the competent governing body regarding the manner of representation of the company and the persons who will represent the said company;
4. rules of procedure of the Management Board and the Supervisory Board, or rules of procedure of the Board of Directors;
5. the management and organisational structure of the retirement insurance company;
6. a business plan for the activity of the retirement insurance company for a three-year period, containing information on the supplementary retirement insurance funds which the company intends to incorporate;
7. (supplemented, SG No. 103/2017, effective 1.01.2018) the documents specified in Article 123f, Paragraph (4), Item 5, letters "a" – "i" and Items 6 – 8 herein, and the circumstances under Item 2 of Article 121e (2) for Bulgarian citizens shall be established ex officio;
8. a certificate issued by a bank pursuant to Article 2 (5) of the Credit Institutions Act of fully paid in minimum required capital pursuant to Article 121c (2) herein;
9. the documents specified in Article 121e (10) herein and evidence, including statements, that the requirements of Paragraphs (1) and (2) of Article 121f have been satisfied;
10. a list of shareholders, stating their Personal Identification Numbers, unified identification codes or other analogous identification data in case of non-residents, and the amount of shareholding thereof, as well as:
 - a) minutes containing the resolutions of the management bodies of shareholders – legal entities for participation in the incorporation of the joint stock company applying for a pension licence;
 - b) certificates of current legal standing – for legal entities registered abroad;
 - c) a document issued by a competent authority, certifying that specialised financial supervision is exercised over the activities of the legal entities covered by Article 121b, Paragraph (1), Item 4 and the scope of such supervision;
 - d) statements by shareholders regarding the circumstances under Article 121b, Paragraph (2) and Article 121c, Paragraph (3);
11. information on the information system of the company;
12. a draft contract with the custodian bank;
13. the names and personal data of the actuary, minutes of the decision of the general meeting of shareholders for selecting the actuary and a statement regarding the circumstances under Article 122l, Paragraph (1), Items 1 – 4 completed in a standard form endorsed by the Deputy Chairperson of the Commission;
14. documentary proof of fee paid.

(2) Any person who, either alone or in agreement with another person, directly or indirectly has a qualifying holding in the capital of the retirement insurance company or who can exercise control over the company, shall submit:

1. statement in a standard form approved by the Deputy Chairperson of the Commission regarding:
 - a) its actual owners (actual beneficiaries) who hold directly or indirectly 10 and more than 10 per cent of the voting rights in the general meeting or its capital;
 - b) the compliance with the requirements of Article 3, Item 3 of the Economic and Financial Relations with Companies Registered in Preferential Tax Treatment Jurisdictions, the Persons Controlled Thereby and Their Beneficial Owners Act;
 - c) the origin of the funds used for the payments made in return for shares subscribed, and stating that such funds are not borrowed;

2. a declaration to the effect that the said person has not defaulted on any obligations to the State or the municipalities;
3. certificates of any ascertained and paid tax and social security liabilities for the last preceding three years;
4. a statement in a standard form approved by the Deputy Chairperson of the Commission, certifying that the requirements set out in Article 121g, Paragraph (1), Item 1, respectively Items 2 and 8 are satisfied;
5. a statement in a standard form approved by the Deputy Chairperson of the Commission regarding the existence and nature of financial or any other interests or connections of the person or of the members of its management and supervisory bodies, if such person is a legal entity, with other shareholders in the retirement insurance company and/or members of its management and supervisory bodies, as well as regarding the existence or absence of written or tacit agreements with other shareholder(s) of the retirement insurance company and/or other entities in connection with the acquisition of the qualifying holding, with the texts of such agreements, if any, attached;
6. documents regarding the financial position:
 - a) with regard to legal entities – annual financial statements for the last three years, audited if an audit is mandatory, as well as a financial statement for the last quarter preceding the filing of the application; such statements must include statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement, and explanatory notes;
 - b) with regard to natural persons – a statement in a standard form approved by the Deputy Chairperson of the Commission regarding his/her financial position, and for sole traders – also annual financial statements for the last three years, audited if an audit is mandatory, and a financial statement for the last quarter;
7. information regarding the group to which the legal entity belongs, the enterprises within the group which are subject to financial supervision, and on the competent institutions exercising such supervision over them;
8. information on the credit rating of the applicant and of the companies controlled by the applicant, and of the group wherein the applicant is a member, if such ratings have been awarded;
9. information regarding the professional qualification and experience of the physical person or of the members of the management body of the legal entity as well as a description of the legal entity's activities by the date when the application was submitted;
10. articles of association or other similar incorporation documents.

(3) The Deputy Chairperson of the Commission may require that, within a time limit set thereby but not longer than one month:

1. the documents specified in Paragraphs (1) and (2) be corrected or supplemented to eliminate inconsistencies with the provisions of this Code and of the statutory instruments on the application thereof;
2. the applicant, the competent authorities in the country and abroad and third parties submit documents and information regarding the applicant, the persons covered by Paragraph (2), the members of their management and supervisory bodies and their managerial agents.

(4) After receiving a pension licence, the company shall notify the Commission of any changes in the documents or circumstances under Paragraph (1) within 7 days of recording or of making a decision, unless otherwise provided for in this Code.

(5) The Commission shall determine by an ordinance the requirements to the documents specified in Items 6 and 11 of Paragraph (1).

Issuance and Refusal to Issue Pension Licence

Article 122b. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) Within two months after receipt of the documents covered under Article 122a, Paragraphs (1) and (2) herein, the Deputy Chairperson of the Commission shall submit to the Commission a motion for the issuance or refusal to issue a pension licence.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) In the cases where the Deputy Chairperson of the Commission has

requested additional documents and/or information from the applicant or from other persons, or has given instructions for the removal of discrepancies in accordance with Article 122a, Paragraph (3), the motion referred to in Paragraph (1) shall be submitted within one month of the receipt of such documents and/or information. Where the documents or information requested from other persons are submitted after the documents and information submitted by the applicant, the Deputy Chairperson of the Commission shall inform the applicant of the deadline for tabling the proposal. In the cases where the requested additional documents or information are not submitted, the Deputy Chairperson of the Commission shall table the proposal before the Commission within one month of the expiry of the time limit set for their submission.

(3) The Commission shall render a reasoned decision within one month after submission of the motion referred to in Paragraph 1, whereby the Commission shall issue or shall refuse to issue a pension licence.

(4) The Commission shall inform the applicant company in writing of the decision within seven days after adoption of the said decision.

(5) The pension licence shall be issued for an indeterminate duration.

(6) In case of refusal, the applicant may not reapply for a licence earlier than six months after the date of the refusal.

(7) The decision of the Commission referred to in Paragraph 3 shall be promulgated in the State Gazette.

Grounds for Refusal

Article 122c. (New, SG No. 67/2003, amended and supplemented, SG No. 43/2010, amended, SG No. 92/2017, effective 18.11.2018) (1) The Commission shall refuse to issue a pension licence where:

1. the documents required have not been submitted or they do not conform to the requirements of this Code, or the non-conformities in the cases under Article 122a, Paragraph (3) herein have not been eliminated;

2. the paid up capital is below the minimum established by Article 121c, Paragraph (2);

3. any of the members of the management and supervisory bodies, the managerial agents or the persons under Article 122a, Paragraph (2) does not meet the requirements provided for in this Code, or with his activity or influence on decision-making could jeopardize the soundness of the company or its operations;

4. documents containing untrue information or data have been presented;

5. the activity which the applicant intends to carry on does not ensure the required reliability and financial stability of the applicant;

6. the value of the assets held by the persons who have subscribed 10 and more than 10 percent of the capital and/or their operations, in terms of scale and financial results, do not correspond to the figures declared for the purpose of acquiring participating interest in the applicant and raise doubts as to the reliability and capacity of these persons to provide, when necessary, capital support to the applicant;

7. the origin of the funds with which the persons who have subscribed 10 or more than 10 percent of the capital have paid the contributions has not been proved or the funds have been obtained as a result of criminal or other illegal activity;

8. due to the close links between the applicant and other persons, serious difficulties in the exercise of effective supervision may occur;

9. the requirements or difficulties in respect of applying separate statutory or administrative instruments issued by a third state which regulate one or more legal or natural persons whom the applicant is related to will hinder the efficient exercise of supervision by the Commission;

10. other requirements specified in this Code or in the statutory instruments on its implementation have not been complied with.

(2) The Commission can refuse to issue a pension licence where the actual owners (actual beneficiaries) who hold directly or indirectly 10 and more than 10 per cent of the voting rights in the general meeting or the capital of a person covered under Article 122a, Paragraph (2), cannot be identified.

Recording in Commercial Register

Article 122d. (New, SG No. 67/2003) (1) (Amended, SG No. 34/2006) The Registry Agency shall record the said company in the Commercial Register with supplementary retirement insurance as objects thereof after presentation of the pension licence issued by the Commission.

(2) (Amended, SG No. 34/2006, repealed, SG No. 109/2013, effective 20.12.2013).

Register of Pension Licences

Article 122e. (New, SG No. 67/2003, amended and supplemented, SG No. 56/2006) The Commission shall maintain a public register of licensed retirement insurance companies, of supplementary retirement insurance funds managed thereby, and of occupational schemes.

Licence Revocation

Article 122f. (New, SG No. 67/2003) (1) A pension licence as issued shall be revoked by the Commission on a motion by the Deputy Chairperson of the Commission where the retirement insurance company:

1. fails to commence the operations for which it has been licensed within six months after obtaining the licence;
2. performs other commercial activity apart from the one directly related to supplementary retirement insurance;
3. is transformed with another retirement insurance company through division by the formation of new companies, merger by acquisition, or merger by the formation of a new company;
4. is dissolved by resolution of the Shareholders' General Meeting;
5. is insolvent;
6. the authorizations thereof for management all supplementary retirement insurance funds established thereby are revoked;
7. has submitted documents, which have served as grounds for issuance of the licence, which contain untrue data.

(2) (Amended, SG No. 92/2017) In addition to the cases covered under Paragraph (1), the Deputy Chairperson of the Commission may submit a motion for revocation of the licence of the retirement insurance company where:

1. the requirements of Articles 121e and 121g herein are breached;
2. the company has hindered the exercise of supervision and/or failed to comply with an enforced administrative measure enforced thereon under this Code;
3. the company fails to fulfil its obligations to insured persons, pensioners or persons to whom it pays one-off or deferred amounts;
4. the principle of voluntary selection of a supplementary retirement insurance fund is not complied with;
5. the company concludes transactions which affect its financial stability or the stability of the supplementary retirement insurance funds managed thereby, thereby jeopardising the interests of the insured persons and the pensioners;
6. the company commits a gross violation or systematic violations of the provisions of this Code and the statutory instruments on its implementation;
7. the company provides untrue data regarding the equity capital (capital base), the minimum liquid resources or the reserves it is obliged to establish pursuant to this Code.

(3) The Commission shall render a reasoned decision within one month after submission of a motion for revocation of the licence.

Obligations of Retirement Insurance Company after Pension Licence Revocation

Article 122g. (New, SG No. 67/2003) (1) After revocation of the pension licence, the retirement insurance company may not conclude new contracts or offer new conditions for supplementary retirement insurance, nor modify the said conditions, including the time limit and the amount of contributions under social insurance contracts as concluded.

(2) The revocation of the licence shall not exempt the retirement insurance company from the obligations thereof under concluded contracts.

Obligation of Commission after Pension Licence Revocation

Article 122h. (New, SG No. 67/2003, amended, SG No. 34/2006, supplemented, SG No. 92/2017) The Commission shall transmit a communication on the revocation of the pension licence to the Registry Agency. The decision to revoke the pension licence shall be promulgated in the State Gazette and shall be published on the Commission's website and in at least two national daily newspapers.

Responsible Actuary

Article 122i. (New, SG No. 103/2005) (1) Actuarial services of a retirement insurance company and of the supplementary retirement insurance funds managed thereby shall be provided solely by a responsible actuary. A responsible actuary shall be a natural person possessing a licensed competence recognized by the Commission, who organizes, manages and is responsible for the actuarial services of the company and the funds managed thereby.

(2) To be eligible for occupation of the position of a responsible actuary, a person must:

1. (supplemented, SG No. 103/2017, effective 1.01.2018) have not been sentenced for an intentional offence of general nature, which circumstances shall be established ex officio for Bulgarian citizens;

2. during the three years last preceding the commencement date of insolvency as determined by the court, have not been member of a managing or supervisory body of, or general partner in, any corporation whereagainst bankruptcy proceedings have been instituted or which has been dissolved by bankruptcy leaving any creditor unsatisfied;

3. have not been adjudicated bankrupt, nor be the subject of bankruptcy proceedings;

4. be not under disqualification from occupying a position of property accountability;

5. have attained higher education leading to the award of the educational qualification degree of Master, having covered a length of instruction in higher mathematics according to requirements established by an ordinance of the Commission;

6. possess at least three years experience as an actuary at national social insurance institutions, a retirement insurance company, a reinsurer, a health insurance company, at bodies exercising supervision over the activity of such persons, or as an academic degree-holding lecturer in insurance or actuarial science;

7. possess a responsible actuary licensed competence recognized by the Commission after successful passing of an examination.

(3) (Amended, SG No. 92/2017) The terms and procedure for recognition of the licensed competence and for conduct of the examination and for recognition of the licensed competence referred to in Item 7 of Paragraph (2), as well as for recognition of a licensed competence attained in a Member State, shall be established by an ordinance of the Commission. For the purposes of the present Code, legal competence of the responsible actuary shall be recognised where it was gained in accordance with the procedure established in the Insurance Code, where the examination for recognition of legal competence has included an

assessment of the knowledge in the field of insurance.

(4) Acting on a motion by the Deputy Chairperson of the Commission, the Commission shall revoke the licensed competence of a responsible actuary if it is ascertained that the holder:

1. has ceased to satisfy the requirements covered under Items 1 to 4 of Paragraph 2;

2. upon provision of actuarial services to a retirement insurance company and to the supplementary retirement insurance fund managed thereby, has committed gross or systematic violations of this Code, of the instruments of secondary legislation for the application thereof, or of the rules of organization and operation of the supplementary retirement insurance funds managed by the relevant retirement insurance company;

3. has stated false particulars or has submitted a document making a false statement on the basis of which the licensed competence thereof has been recognized;

4. (new, SG No. 97/2007) has not practised the activity for more than two successive years since recognition of the licensed competence or since vacation of office as responsible actuary, unless the holder has carried out activity as an actuary.

(5) (Amended, SG No. 92/2017) In the cases of revocation of a licensed competence under Paragraph (4), the person may reapply for recognition of a responsible actuary licensed competence not earlier than three years after the entry into effect of the decision. By withdrawing the legal competence on any of the grounds listed under Paragraph (4), the person's legal competence as responsible actuary that has been recognised in pursuance of the procedure established in the Insurance Code shall also be considered withdrawn.

Additional Qualifying Requirements for Responsible Actuary of Retirement Insurance Company

Article 122j. (New, SG No. 103/2005) (1) To be eligible for occupation of the position of a responsible actuary of a retirement insurance company, a person must:

1. not be a spouse or lineal or collateral relative or affine to any member of the managing or supervisory body of the retirement insurance company up to the fourth degree of consanguinity or affinity;

2. not be a member of a managing or supervisory body of another company with the same objects;

3. (amended, SG No. 92/2017) not be a partner or a shareholder, a member of a managing or supervisory body of a person referred to in Article 123c (1) herein, wherewith the retirement insurance company has entered into contractual relations, or of a party in close links thereto, of the custodian bank or of a person in close links thereto;

4. not be a party to any transactions with the company and the supplementary retirement insurance funds managed thereby, save in the capacity of a shareholder in the company or a person insured in some of the said funds;

5. have a permanent address or hold a durable residence permit for Bulgaria.

(2) (Amended, SG No. 92/2017) The responsible actuary shall be elected by the general meeting of shareholders of the retirement insurance company after submitting to the said general meeting a declaration certifying compliance with the conditions covered under Paragraph (1). The retirement insurance company shall notify the Commission of the resolution passed on election of a responsible actuary within seven days after the date of passage of the said resolution, attaching to the notification a certified copy of the declaration.

(3) The responsible actuary shall notify the retirement insurance company of any change in any circumstances covered under Paragraph 1 within seven days after learning of the said change.

(4) Upon change in any circumstances covered under Paragraph 1 or upon revocation of a responsible actuary licensed competence under Article 122i (4) herein, the Shareholders' General Meeting of the retirement insurance company shall be obligated to remove the responsible actuary and to elect a replacement within three months after learning of the circumstances.

Article 123. (Amended, SG No. 67/2003, SG No. 103/2005) (1) The responsible actuary shall perform the following functions:

1. elaborate the biometric tables referred to in Item 2 of Article 169 (1) and Item 2 of Article 246 (1) herein and the actuarial assumptions for the pension schemes offered, which shall be endorsed by the managing body of the retirement insurance company;
2. be responsible for the proper application of actuarial methods in the operation of the retirement insurance company;
3. (amended, SG No. 92/2017, effective 18.11.2018) be responsible for the true and accurate determination of the amount of the pension and technical reserves and of all obligations to the insured persons, the pensioners or the survivors thereof;
4. (new, SG No. 56/2006) be responsible for the correct calculation of the technical provisions referred to in Item 2 of Article 213a (1) herein;
5. (renumbered from Item 4, SG No. 56/2006, amended, SG No. 92/2017, effective 18.11.2018) annually, on or before the 31st day of March, prepare an actuarial report on the preceding year and present the said report to the managing body of the retirement insurance company and to the Commission.

(2) (Amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) The Commission shall determine by an ordinance the format and the mandatory content of the annual actuarial report referred to in Item 5 of Paragraph (1).

(3) Upon discharge of the duties thereof, the responsible actuary shall have access to all necessary information, and the managing bodies and the employees of the retirement insurance company shall be obligated to cooperate therewith.

Custodian Bank

Article 123a. (New, SG No. 67/2003) (1) All assets of a supplementary retirement insurance fund shall be kept at a single custodian bank on the basis of a contract for custodian services concluded between the retirement insurance company managing the fund and the custodian bank.

(2) (Supplemented, SG No. 41/2007) A "custodian bank of a supplementary compulsory retirement insurance fund and of a supplementary voluntary retirement insurance fund", within the meaning given by this Code, may be a bank which:

1. (amended, SG No. 92/2017, effective 18.11.2018) which is a domestic bank or a foreign bank authorised to carry on banking business within the territory of Bulgaria through a branch;
2. (amended, SG No. 39/2005, effective 14.05.2005, SG No. 92/2017, effective 18.11.2018) whose licence includes the activities specified in Article 2, Paragraph (2), Item 9 of the Credit Institutions Act;
3. (amended, SG No. 67/2008, SG No. 92/2017, effective 18.11.2018) whose licence includes carrying out activities as a depository or trustee institution;
4. (amended, SG No. 92/2017) whose licence, activity, transactions or operations are not limited to a degree which would impede or render impossible the appropriate fulfilment of obligations under this Code or under the contract;
5. (supplemented, SG No. 59/2006, amended, SG No. 27/2014, SG No. 92/2017) has not been subject to measures under Items 16, 23 or 24 of Article 103, Paragraph (2) of the Credit Institutions Act during the last preceding twelve months;
6. has sufficient capital, human and information resources for the efficient performance of its custodian functions and obligations according to the requirements of this Code and the statutory instruments on its application;
7. (repealed, SG No. 41/2007).

(3) (New, SG No. 41/2007) A custodian bank of a fund for supplementary voluntary retirement insurance under occupational schemes may be a bank:

1. referred to in Article 2 (5) of the Credit Institutions Act;

2. (amended, SG No. 92/2017, effective 18.11.2018) whose licence includes carrying out activities as a depository or custodian institution;

3. (amended, SG No. 92/2017) whose licence, activity, transactions or operations are not limited to a degree which would impede or render impossible the appropriate fulfilment of obligations under this Code or under the contract;

4. which has sufficient capital, human and information resources for the efficient performance of its custodian functions and obligations according to the requirements of this Code and the statutory instruments on its application.

(4) (Renumbered from Paragraph 3, SG No. 41/2007) The custodian bank shall:

1. keep and report on client accounts and registers in the specialized domestic depository institutions the dematerialized securities owned by the supplementary retirement insurance fund;

2. account and keep on client accounts and registers at banks or at specialized depository institutions abroad the foreign securities owned by a supplementary retirement insurance fund;

3. keep all documents certifying ownership of the dematerialized securities, as well as the physical securities of the supplementary retirement insurance fund;

4. keep accounts and maintain accounting records and a register of all assets separately for each supplementary retirement insurance fund and separate from its own assets and from the assets deposited by other clients;

5. keep all payment documents certifying the receipt and the investment of the cash resources of the supplementary retirement insurance fund;

6. keep all documents and orders originating from the respective retirement insurance company in connection with the investment of the resources and the safe custody of the assets of the supplementary retirement insurance fund;

7. (new, SG No. 92/2017, effective 18.11.2018) on the first working day of each quarter, check the assessment of the assets of the supplementary retirement insurance fund by the retirement insurance company for the last working day of the previous quarter, and, in the event of establishing failure to comply with the requirements of the ordinance and the rules under Article 181 herein, notify the retirement insurance company and monitor its timely removal.

(5) (Renumbered from Paragraph 4, SG No. 41/2007) All financial resources of the supplementary retirement insurance fund shall be delivered to the custodian bank. Within five working days, the retirement insurance company shall give written instructions to the custodian bank as to the investment of the financial resources received.

(6) (Renumbered from Paragraph 5, SG No. 41/2007) The custodian bank shall transact in the financial resources, in the physical and dematerialized securities of the fund only if there is a written instruction from the persons authorized by the retirement insurance company according to the contract.

(7) (Renumbered from Paragraph 6, amended, SG No. 41/2007, SG No. 92/2017, effective 18.11.2018) The custodian bank shall not act on the instruction referred to in Paragraph (6) where such instruction is contrary to this Code and the secondary instruments on the application thereof, the rules of organisation and operation of the supplementary retirement insurance fund and the fund's investment policy.

(8) (Renumbered from Paragraph 7, SG No. 41/2007, SG No. 92/2017, effective 18.11.2018) At the end of each working day, the custodian bank shall transmit to the Commission information regarding the financial resources received, the transactions concluded and the assets of the supplementary retirement insurance fund, and on the first working day of each quarter – also the data relating to the check under Paragraph (4), Item 7.

(9) (Renumbered from Paragraph 8, SG No. 41/2007, amended, SG No. 92/2017, effective 18.11.2018) The custodian bank shall immediately notify the Commission of any violation of this Code and the statutory instruments on its application on the part of the retirement insurance company the bank establishes in the course of its custodial obligations. Upon request the custodian bank shall provide the Commission with the entire information it has in connection with the performance of its custodial obligations.

(10) (New, SG No. 92/2017, effective 18.11.2018) The custodian bank shall be liable to the retirement insurance company, to the supplementary retirement insurance fund, before the insured persons and the pensioners for all damages which are the direct

and immediate consequence of non-performance of its custodial obligations, including incomplete, inaccurate and untimely performance, where such non-performance is due to reasons for which the custodian bank is responsible.

Contract for Custodian Services

Article 123b. (New, SG No. 67/2003) (1) (Amended and supplemented, SG No. 92/2017) The contract between the custodian bank and the retirement insurance company shall be submitted to the Commission within three days after the date of its conclusion or amendment, as the case may be, and shall mandatorily state:

1. the rights and obligations of the custodian bank and of the retirement insurance company;
2. the procedure and manner of fulfilment of the obligations under Item 1;
3. the liability of the custodian bank, inter alia in the cases of subcontracting by the custodian bank of any functions under this contract;
4. the fees paid by the retirement insurance company to the custodian bank;
5. the procedure and manner for exchange of information between the custodian bank and the retirement insurance company;
6. the procedure and manner for termination of the contract.

(2) (Supplemented, SG No. 41/2007) A bank included in the list under Paragraph 12, as well as a bank referred to in Article 123a (3) herein, may not conclude a contract for custodian services with a retirement insurance company if:

1. (amended, SG No. 92/2017) the said bank is a shareholder in or has close links with the retirement insurance company;
2. the said bank is a lender or a creditor of the said company;
3. (amended and supplemented, SG No. 92/2017) the said bank is an investment intermediary wherewith the company is in contractual relations or is in close links with such an investment intermediary.

(3) The retirement insurance company may conclude a contract for custodian services with only one custodian bank for each of the supplementary retirement insurance funds managed by the said company. The custodian bank may conclude a contract for custodian services with more than one retirement insurance company.

(4) The fees paid to the custodian bank under the contract for custodian services shall be for the account of the retirement insurance company.

(5) (Amended, SG No. 92/2017) The contract between the retirement insurance company and the custodian bank may be terminated by each party by one month's written notice, and the retirement insurance company shall notify the Commission within three days after the dispatch or receipt of any such notification. This notice period shall not apply to cases of a mandatory prescription by the Commission for replacement of the custodian bank.

(6) In case of termination of the contract for custodian services, the custodian bank shall:

1. transfer all exigible and due financial resources on the account of the pension fund to the new custodian bank according to the instructions given by the retirement insurance company;
2. execute the order of the retirement insurance company for transfer of the dematerialized securities held by the said bank on the register of fund from the account of the fund with the said bank to an account with the new custodian bank wherewith the said securities are to be registered;
3. deliver to the retirement insurance company, as per inventory, all physical securities, ownership documents and other documents related to the performance of the contract for custodian services.

(7) The custodian bank shall carry out the activities under Paragraph 6 within a time limit agreed with the retirement insurance company which, however, may not be longer than 30 days after the date of signature of the contract for custodian services between the retirement insurance company and the new custodian bank. The retirement insurance company shall immediately

delivery the documents under Item 3 of Paragraph 6 to the new custodian bank for safekeeping.

(8) (Amended, SG No. 92/2017) The procedures concerning the replacement of one custodian bank by another custodian bank shall be followed in a manner guaranteeing fulfilment of the custodial obligations.

(9) (Amended, SG No. 92/2017) The Bulgarian National Bank, acting through the Banking Supervision Department, shall notify the Commission promptly of any measure or sanction imposed, which limits the licence, the transactions or the operations of the custodian bank to an extent as would impede or render impossible the appropriate fulfilment of obligations under this Code or under the contract.

(10) (Supplemented, SG No. 92/2017) If the custodian bank is adjudicated bankrupt, the assets of the supplementary retirement insurance kept at the said bank by virtue of this Code, with the exception of bank deposits within the meaning given by Item 1 of § 1 of the Bank Deposit Guarantee Act, shall not be included in the bankruptcy estate. After the insolvency proceedings have been initiated, the conservator, the temporary trustee in bankruptcy or the trustee in bankruptcy of the custodian bank shall be obliged, within not more than 5 working days from the date of signing the custodial services agreement between the retirement insurance company and the new custodian bank, to carry out the actions under Paragraph (6) according to the instructions and orders given by the retirement insurance company.

(11) The Bulgarian National Bank, after consultation with the Commission, shall issue an ordinance on the application of Article 123a herein.

(12) (Supplemented, SG No. 41/2007) The Bulgarian National Bank, in consultation with the Commission, shall endorse lists of the banks which may be custodians of a supplementary compulsory retirement insurance fund and of a supplementary voluntary retirement insurance fund.

(13) (New, SG No. 41/2007, amended, SG No. 92/2017) The Commission shall notify the Bulgarian National Bank of each contract for custodian services as concluded or terminated within three days after receipt of the notification under Paragraph (1) or under Paragraph (5), as the case may be.

Contract with Investment Intermediary and with Persons Having the Right to Provide Investment Advice Concerning Securities

(Heading amended, SG No. 17/2006)

Article 123c. (New, SG No. 67/2003) (1) (Amended, SG No. 17/2006, SG No. 41/2009, effective 2.06.2009, SG No. 92/2017) The retirement insurance company shall conclude a contract with an investment intermediary following approval by the management body of the said company.

(2) (Amended, SG No. 92/2017) The retirement insurance company may not conclude a contract with an investment intermediary if the said intermediary is in close links with the said company.

(3) (Repealed, SG No. 92/2017).

(4) (New, SG No. 17/2006, amended, SG No. 52/2007, SG No. 77/2011) The retirement insurance company shall mandatorily conclude a contract for investment advice concerning financial instruments with a person who meets the requirements of Article 12 of the Markets in Financial Instruments Act or Article 86 of the Collective Investment Schemes and Other Undertakings for Collective Investments Act.

(5) (New, SG No. 17/2006) The investment adviser, which has concluded a contract under Paragraph 4 with a retirement insurance company, may not be:

1. (amended, SG No. 92/2017) a member of a managing or supervisory body or a managerial agent of the retirement insurance company, or a person in close links thereto;
2. a broker under contract with an investment intermediary;
3. an investment adviser under contract with an investment intermediary, an investment company, a management company or

with another retirement insurance company.

(6) (New, SG No. 17/2006, amended, SG No. 92/2017) The members of a managing or supervisory body and the investment adviser of a management company which has concluded a contract under Paragraph (4) with a retirement insurance company must not be members of a managing or supervisory body or managerial agents of the retirement insurance company and must not be in close links with them.

(7) (Renumbered from Paragraph 4 and supplemented, SG No. 17/2006, amended, SG No. 92/2017) The retirement insurance company shall notify the Commission of the contracts concluded under Paragraphs (1) and (4) within seven days after the conclusion thereof or after the termination thereof.

Contract with Social Insurance Intermediary

Article 123d. (New, SG No. 67/2003, amended, SG No. 92/2017) (1) The retirement insurance company may conclude contracts with natural- or legal-person social insurance intermediaries. Natural-person social insurance intermediaries may not authorise other persons to perform the insurance mediation activity performed thereby.

(2) An insurance intermediary and a retirement insurance company may not conclude a contract where the intermediary has already concluded a contract with another retirement insurance company. Legal-person social insurance intermediaries may not authorise other a person who has already been authorised by another legal-person social insurance intermediary for the same activity.

(3) Employers may not act as social insurance intermediaries on behalf of a retirement insurance company for their factory and office workers.

(4) Natural-person social insurance intermediaries and persons authorised by legal-person social insurance intermediaries shall have the right, in the name and on behalf of the retirement insurance company, to conclude social insurance contracts, to mediate in the conclusion of social insurance and retirement contracts and contracts for deferred payment of funds, as well as to accept individual applications for supplementary retirement insurance, resumption of insurance in a universal retirement fund, change of participation and transfer of funds, as well as other applications and requests from insured persons, pensioners and other eligible persons. They may not collect social insurance contributions and make payments to insured persons, pensioners and other eligible persons.

(5) Natural- and legal-person social insurance intermediaries and persons authorised by social insurance intermediaries shall be registered by the Deputy Chairperson of the Commission in the register referred to in Article 30, Paragraph (1), Item 14 of the Financial Supervision Commission Act.

(6) Natural-person social insurance intermediaries and persons authorised by legal-person social insurance intermediaries shall:

1. have at least secondary education;
2. have not been convicted for a premeditated offence at public law;
3. have not been subject to administrative penalties during the last three years for gross or systematic violations of this Code or of the instruments of secondary legislation for the application thereof;
4. have not been deprived of the right to:
 - a) hold an office accountable for assets;
 - b) pursue a particular profession or activity in the fields of finance, insurance or social insurance;
5. have undergone training in supplementary retirement insurance organised by the respective retirement insurance company.

(7) Persons managing and representing legal-person social insurance intermediaries shall satisfy the requirements set out in Items 1 – 4 of Paragraph (6).

(8) When carrying out its activities, a natural-person social insurance intermediary and a person authorised by a legal-person social insurance intermediary shall:

1. identify himself/herself with the document specified in Paragraph (12) and to provide the relevant person with contact details;
2. respect the principle of freedom of choice of fund;
3. assists the person submitting an application for supplementary retirement insurance or an application for change of participation and transfer of funds from one supplementary retirement fund to another, and to ensure that the interests of such person are not prejudiced;
4. explain to the persons in good faith and with due care their rights and obligations under the social insurance contracts, provide such persons with true and accurate information about the respective retirement insurance company and the supplementary retirement insurance funds managed thereby, and not make promises or make assumptions about the future return from the investments of the assets of the respective fund;
5. protect the personal data of the insured persons by not using the information received for purposes not related to the exercise of the rights and fulfilment of the obligations under the social insurance mediation contract;
6. keep the trade secret and the commercial prestige of the retirement insurance company with which it has concluded a contract for mediation, and not provide false, incomplete or misleading information about other retirement insurance companies.

(9) The retirement insurance company shall be obliged to provide training to the natural persons with whom it will conclude a contract for social insurance mediation activity, as well as to the persons, which legal-entity social insurance intermediaries intend to authorise for carrying out the activity of insurance mediation.

(10) The retirement insurance company shall conclude a contract with a social insurance intermediary, respectively shall give consent for the authorisation of a person to carry out insurance mediation activity after it has established that the requirements of Paragraph (6) or, as required, Paragraph (7) have been satisfied.

(11) Within 7 days, the retirement insurance company shall notify the Commission of the conclusion of every contract with a social insurance intermediary, as well as of the authorisation of natural persons by legal-person social insurance intermediaries.

(12) The retirement insurance company shall provide every social insurance intermediary and, respectively, the persons authorised by legal-person social insurance intermediaries, with an identification document to prove their authorisation during the implementation of their activity. The standard form of the said document shall be endorsed by the Deputy Chairperson of the Commission.

(13) The retirement insurance company shall be obliged to exercise control over the compliance of the social insurance intermediaries and the persons authorised thereby with the requirements of this Code, to perform regular checks of the lawful performance of their activity in the framework of the contract concluded with them, respectively their authorisation, as well as to create the necessary organisation for preliminary and follow-up training and instructions.

(14) The retirement insurance company shall be liable to the insured persons, the pensioners and their survivors for the actions of the insurance intermediaries and the persons authorised thereby in relation to the supplementary retirement insurance activity as if such actions were its own actions.

(15) The retirement insurance company shall be obliged to terminate its contract with a social insurance intermediary if it finds that:

1. the company has been provided with untrue data or documents for attestation of compliance with Paragraph (6) or (7);
2. the social insurance intermediary no longer meets the requirements set under Paragraph (6) or Paragraph (7), as appropriate;
3. the authorised person no longer meets the requirements of Paragraph (6) and the legal-person social insurance intermediary has not withdrawn the authorisation within three days of having been notified.

(16) Within 7 days, the retirement insurance company shall notify the Commission of each termination of a contract for social insurance mediation, as well as of each withdrawal of an authorisation of a natural person by legal-person social insurance intermediary.

(17) Where the social insurance intermediary or the authorised person commits a violation of Paragraph (8), Item 2, 4, 5 or 6, or other gross or systematic violations of this Code or of the instruments of secondary legislation for the application thereof, the

Deputy Chairperson of the Commission shall obligate the retirement insurance company to terminate its contract with the natural-person social insurance intermediary, respectively with the legal-person social insurance intermediary if the authorisation is not withdrawn. The same measure shall also be applied in the cases of violations of Paragraph (2).

Revenues of Company

Article 123e. (New, SG No. 67/2003) (1) Retirement insurance company revenues shall originate from fees and deductions as established in this Code, as well as from the management of their own assets.

(2) The retirement insurance company may distribute among its shareholders profit derived from the management of its supplementary retirement insurance funds and of its own assets according to the procedure established by the Commerce Act and this Code.

Management System

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 123f. (New, SG No. 67/2003, amended, SG No. 92/2017, effective 18.11.2018) (1) The retirement insurance company must have an effective management system that ensures reliable and prudent management of supplementary retirement insurance activities.

(2) The management system shall be consistent with the nature, volume and complexity of the activity of the retirement insurance company and include an adequate and transparent organisational structure with clear segregation and appropriate division of responsibilities and effective transmission of information.

(3) The retirement insurance company shall be obligated to review its management system and to introduce changes therein, where necessary for achieving the objectives under Paragraph (1).

(4) The managing body of the retirement insurance company shall adopt:

1. the management and organisational structure of the retirement insurance company, defining the following:

a) the operations of the individual organisational units;

b) the management positions outside of the job positions under Article 121e (5), as well as their functions and powers;

c) the distribution of the functions and powers amongst the executive directors, as well as the segregation of functions amongst the members of the management body;

2. a business plan for the activity of the retirement insurance company for a period of three years, which shall be updated annually by 31 March of each year;

3. rules of organisation and operation of each managed supplementary retirement insurance fund;

4. the investment policy of each managed retirement fund;

5. the rules on:

a) the management of the risks relating to the activities of the retirement insurance company;

b) internal control;

c) operating control, including rules and procedures for performance and reporting the activity of the separate organisational units;

d) internal audit;

e) the public disclosure of information and the presentation of information to the supervisory authority and insured persons;

- f) personal transactions;
 - g) the detection and prevention of conflicts of interest;
 - h) the relationships with social insurance intermediaries and other persons with which contracts for certain activities have been concluded;
 - i) the assessment of the assets and liabilities of the retirement insurance company and the supplementary retirement insurance funds managed thereby;
 - j) other activities at the discretion of the management body or where envisaged by this Code, a law or another statutory act;
6. the remuneration policy with respect to the persons under Article 123o (1);
 7. the accounting policy of the retirement insurance company and the supplementary retirement insurance funds managed thereby;
 8. the policy for identifying the persons related to the retirement insurance company and the issuers in which supplementary retirement insurance funds are invested.

(5) Unless otherwise provided for in this Code, the management body shall review at least once a year the documents referred to in Paragraph (4), amend or supplement them where necessary, and submit to the general meeting of the shareholders an annual activity report on their application. The retirement insurance company shall submit this report to the Commission within 7 days of its consideration by the general meeting.

(6) The retirement insurance company shall undertake reasonable measures to guarantee continuity and regularity in performing its operations, including by developing contingency plans. For that purpose, the retirement insurance company shall use appropriate systems, resources and procedures consistent with the volume, nature and complexity of its operations.

(7) Within the management system, the retirement insurance company shall establish:

1. a risk management function;
2. an internal control function;
3. an internal audit function;
4. an actuarial function.

(8) A "function" within the meaning of Paragraph (7) shall be the internal capacity for implementation of practical tasks.

(9) The organisation of the functions specified in Paragraph (7) shall be defined in the organisational structure referred to in Item 1 of Paragraph (4).

Risk Management, Internal Control and Internal Audit

Article 123f1. (New, SG No. 92/2017, effective 18.11.2018) (1) The retirement insurance company must have a risk management system, which includes strategies, processes and procedures for reporting for the purpose of continuous identification, measurement, tracing and management of the risks (in isolation, in their entirety, as well as in terms of their interrelatedness), to which the company and the supplementary retirement insurance funds managed thereby are or could be exposed.

(2) The risk management system must be effective and well integrated into the organisational structure and the decision-making processes of the retirement insurance company, and the said risk management system shall be taken into account, as appropriate, by the persons under Article 121e (5) and by the persons who perform the risk management function.

(3) The risk management function of the retirement insurance company shall be performed by a risk management unit and shall be structured in such a manner as to facilitate the application of the risk management system.

- (4) The retirement insurance company shall be obliged to establish internal control systems to ensure that the supplementary retirement insurance activity, including when part of it is contracted out to a third party, is carried out in accordance with:
1. the statutory instruments;
 2. the provisions of the internal documents adopted by the company as required by this Code or a statutory instrument on the application thereof;
 3. the contracts concluded;
 4. the principles of economy, efficiency and effectiveness of operations.
- (5) Internal control shall be a comprehensive and continuous process integrated in the activity of the retirement insurance company, which is implemented according to the management system accepted by the management and supervisory bodies, by the managers at all levels of management, as well as by all other persons working under contracts with the retirement insurance company.
- (6) The internal control function of the retirement insurance company shall be performed by a specialised internal control department.
- (7) The internal control function of the retirement insurance company shall be objective and independent of the other operating functions, shall be performed by a separate individual or a specialised department, and shall include assessment of the adequacy and effectiveness of the internal control system and the other elements of the management system.
- (8) Heads of the risk management unit, the internal control department and the specialised internal audit unit (or the person responsible for internal audit where the internal audit activities are performed by such person independently) shall have appropriate qualifications and experience in the relevant fields and meet the requirements of Items 3 – 12 of Article 121e (5).
- (9) The heads of the risk management unit and the internal control department shall be appointed and released by the management bodies of the retirement insurance company. The head of the specialised internal audit unit, respectively the person responsible for internal audit shall be appointed and released by the general meeting of shareholders of the retirement insurance company.
- (10) The Commission shall set out in an ordinance the functions and responsibilities of the units, departments and persons referred to in Paragraphs (3), (6) and (7).

Information System

Article 123g. (New, SG No. 67/2003, amended, SG No. 19/2010) To perform its supplementary retirement insurance activities, the company shall set up and maintain an information system which has to comply with the requirements laid down by a regulation of the Commission.

(2) (Amended, SG No. 100/2010, effective 1.01.2011) The information system shall enable the electronic exchange of data in compliance with the rules laid down by the Administrative Commission referred to in Article 71 of 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 the related national data exchange.

(3) (New, SG No. 92/2017) The information system of the retirement insurance company shall provide an opportunity to create and maintain a single electronic record of every insured person or pensioner in the retirement funds managed by the company, which contains all the available data about the person, including the electronic image of the applications and requests filed thereby and the acts of the company in relation such applications and requests.

Provision of Information

Article 123h. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall be obligated:

1. to familiarise the insured persons and the persons referred to in Article 230, Paragraph (3), Items 2 – 4 and Paragraph (4), Item 1 with the rules of the supplementary retirement insurance fund and with all clauses amending and supplementing the said rules, and to provide such persons upon request with certified copies of the rules;
2. prior to the conclusion of a social insurance contract, to provide the counterparty to the contract with up-to-date information about the fund's key features and the participation therein;
3. annually, not later than the 31st day of May, to transmit to the insured persons, at no charge to them, a statement of the individual accounts of the said persons for the last preceding calendar year;
4. apart from the case under Item 3, to afford an opportunity for each person insured in the fund to receive information concerning the individual account thereof upon request;
5. to provide the insured persons upon request with information about the actual yield achieved on their individual accounts.

(2) (New, SG No. 56/2006) In addition to the information covered under Paragraph 1, each retirement insurance company which manages a fund for supplementary voluntary retirement insurance under occupational schemes shall provide the persons insured in the said fund, as well as to other holding entitlement under the occupational scheme:

1. annual information regarding:

- (a) any change in the scheme arising from clauses amending and supplementing the statutory framework or the rules of organization and operation of the fund for supplementary voluntary retirement insurance under occupational schemes;
- (b) the amount of resources accrued, the types of payments and the manners of receiving the said payments upon acquisition of entitlement to the relevant type of pension;
- (c) the risks associated with the investment and the management of the occupational scheme and the persons who assume the said risks;

2. upon request:

- (a) the annual financial statement and the annual report referred to in Article 252 (2) for the scheme under which they are insured;
- (b) information referred to in Article 251c herein regarding the investment policy of the fund for supplementary voluntary retirement insurance under occupational schemes and regarding the structure of the investment portfolio;
- (c) information regarding the procedure and manner of transfer of the resources accrued on their individual accounts in the funds for supplementary voluntary retirement insurance under occupational schemes managed by another retirement insurance company, upon discontinuance of the activity, on the basis of which they are insured under the relevant occupational scheme;
- (d) (new, SG No. 41/2007) detailed and material information regarding the level which retirement benefits must reach according to the conditions of the relevant occupational scheme: in case of work on a cross-border basis;
- (e) (new, SG No. 41/2007) the amount of payments upon termination of the insurance according to the conditions of the relevant occupational scheme: in case of work on a cross-border basis.

(3) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall be obliged to provide each insured person or pensioner upon request with a unique identifier, providing the insured person or pensioner with electronic access to the data in his/her individual account and allowing him/her to consult and track his/her insurance history.

(4) (Renumbered from Paragraph 2, SG No. 56/2006, renumbered from Paragraph 3, SG No. 92/2017, effective 18.11.2018) The retirement insurance company, the social insurance intermediaries and the persons authorized thereby may not provide to third parties the information at their disposal regarding the insured persons, pensioners, their survivors and social insurance contributors, with the exception of cases provided for in other laws.

(5) (New, SG No. 109/2013, effective 1.01.2014, renumbered from Paragraph 4, SG No. 92/2017, effective 18.11.2018) The retirement insurance companies shall provide to the Executive Director of the National Revenue Agency information regarding any remunerations under Article 143h(1), item 4 of the Tax and Social-Insurance Procedure Code, paid/charged to persons, who are local persons of another European Union Member State not later than 30th day of April of the year,

following the year of payment/charging of such remunerations, under the procedure of Article 73a(2) of the Income Taxes on Natural Persons Act.

(6) (New, SG No. 92/2017, effective 18.11.2018) The documents and information specified in Items 2 – 5 of Paragraph (1) shall be prepared using standard forms approved in an ordinance of the Commission.

(7) (New, SG No. 92/2017, effective 18.11.2018) The applicable method for calculating the yield referred to in Item 5 of Paragraph (1) shall be set out in the ordinance under Article 180, Paragraph (2).

(8) (New, SG No. 92/2017, effective 18.11.2018) The information specified in Paragraphs (1) and (2) shall be submitted in writing and shall be signed by an authorised official of the company, except for the information specified in Item 3 of Paragraph (1) and Item 1 of Paragraph (2). Where this is agreed with the insured person, the information may be sent in accordance with the procedure established by the Electronic Document and Electronic Signature Act, signed with a qualified electronic signature by the retirement insurance company.

(9) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall be obliged, upon request, to provide the insured person, the pensioner, respectively the survivor of the insured person or the pensioner, within 7 days, a copy of an electronic document in the electronic record of the insured person or the pensioner in paper or electronic form.

(10) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall be obliged, within 7 days of being requested, to provide the pensioner, respectively his/her survivors, with a certified copy of the pension contract under Article 169a.

(11) (New, SG No. 92/2017, effective 18.11.2018) At the end of each quarter the National Revenue Agency shall provide the relevant retirement insurance companies and the Commission with information regarding the deceased insured persons and pensioners in the supplementary compulsory retirement insurance funds managed by the companies.

Requirements to Advertising

Article 123i. (New, SG No. 67/2003) (1) The retirement insurance company shall be obligated:

1. not to advertise for any products or services which it does not provide at the moment, nor a future return on investment;
2. not to hide or conceal any material facts and circumstances, and not to include in the advertisement thereof any vague formulations of the results achieved, any untrue or misleading data;
3. not to organize any lotteries.

(2) (Repealed, SG No. 92/2017, effective 18.11.2018).

(3) All advertising expenses of the retirement insurance company and the supplementary retirement insurance funds managed thereby shall be for the account of the retirement insurance company.

(4) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company may not distribute, publish on its web site or include in the content of its advertising and written information materials information prepared by other persons that does not meet the requirements set out in the ordinance under Paragraph (6). Materials contained in such information may also not be distributed by other persons in the name of the company or with the participation of representatives of the company.

(5) (New, SG No. 92/2017, effective 18.11.2018) Advertising and information materials of the retirement insurance company containing a description of the characteristics, the products, services or performance of supplementary voluntary retirement insurance funds must include information that the management of the assets of the fund does not guarantee positive returns and retention in full amount of the funds deposited in the individual accounts.

(6) (New, SG No. 92/2017, effective 18.11.2018) The Commission shall set out in an ordinance the requirements for advertising and written information materials and the website of retirement insurance companies.

Obligation to Store

Article 123i1. (New, SG No. 92/2017, effective 18.11.2018) (1) Original documents in hard copy and electronic documents such as applications (for choosing a retirement fund, for change of participation, for resumption of insurance in a universal retirement fund, for transferring or withdrawing of funds, etc.), contracts (social insurance, retirement and for rescheduled disbursements), orders and other acts of the retirement insurance company determining the amount of lump-sum and periodic payments, as well as other documents, data and information relevant to the exercise of the rights of the insured persons, pensioners or their survivors shall be kept by the retirement insurance company for a minimum period of 50 years from the termination of the respective social insurance relationship.

(2) Retirement insurance companies shall keep, use and destroy the documents and data relating to the supplementary retirement insurance activities in accordance with a procedure established by an ordinance of the Commission.

(3) Retirement insurance companies shall store the documents comprising classified information in accordance with the requirements of the Classified Information Protection Act.

Section III

(New, SG No. 67/2003)

Supplementary Voluntary Unemployment and/or Vocational-Training Insurance Companies

Definition

Article 123j. (New, SG No. 67/2003) (1) Supplementary voluntary unemployment and/or vocational-training insurance companies, hereinafter referred to as "unemployment and/or vocational-training insurance companies", shall be joint-stock companies licensed according to the procedure established by this Code and registered under the Commerce Act.

(2) The objects of unemployment and/or vocational-training insurance companies shall be limited to supplementary voluntary unemployment and/or vocational-training insurance.

(3) Unemployment and/or vocational-training insurance companies may not effect any commercial transactions which are not directly related to their business.

(4) Unemployment and/or vocational-training insurance companies may establish not-for-profit associations for representation of common interests and for implementation of joint projects.

(5) Unemployment and/or vocational-training insurance companies may not participate in any civil-law companies and in any commercial corporations as general partners, nor acquire any shares in other unemployment and/or vocational-training insurance companies.

(6) An unemployment and/or vocational-training insurance company shall pursue the activity thereof according to the provisions of this Code and in accordance with its articles of association and with the rules of the supplementary voluntary unemployment or vocational-training insurance managed thereby.

Shares and Capital

Article 123k. (New, SG No. 67/2003) (1) An unemployment and/or vocational-training insurance companies may issue solely registered dematerialized shares entitling the holder to a single vote.

(2) The minimum amount of capital of an unemployment and/or vocational-training insurance company shall be BGN 500,000.

(3) The capital must be fully paid up in cash at the time of submission of the application for obtaining a licence to carry out

supplementary voluntary unemployment and/or vocational-training insurance activity.

(4) An unemployment and/or vocational-training insurance company must, at any time, dispose of equity capital (capital base) amounting to not less than 50 per cent of the minimum amount of capital referred to in Paragraph 2.

(5) Unemployment and/or vocational-training insurance companies may not distribute dividends in amounts and in a manner which would lead to a breach of the requirements referred to in Paragraph 4.

(6) (Amended, SG No. 92/2017, effective 18.11.2018) When the equity capital (capital base) of an unemployment and/or vocational-training insurance company falls below the amount specified in Paragraph (4), the said company shall notify, within three days, the Commission, submitting a rehabilitation programme for bringing the equity capital into conformity with the requirements of the Code within three months.

(7) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission, upon a proposal from the Deputy Chairperson of the Commission, shall approve or shall refuse to approve the rehabilitation programme within 7 days after receipt of the said programme.

(8) During the period of implementation of the rehabilitation programme, unemployment and/or vocational-training insurance companies may not distribute dividends.

(9) (Amended, SG No. 92/2017, effective 18.11.2018) In case of disapproval of the programme or of a failure to implement the approved programme, the Commission shall take the actions under Item 7 of Article 344 (2) herein.

(10) The requirements to the composition and structure of the equity capital (capital base) of an unemployment and/or vocational-training insurance company and to the minimum liquid resources of the company and the supplementary voluntary unemployment or vocational-training insurance funds managed thereby shall be established by the ordinance under Article 121c (10) herein.

Business Name

Article 123l. (New, SG No. 67/2003) (1) The business name of the unemployment and/or vocational-training insurance company shall mandatorily include a collocation of the words "supplementary", "voluntary", "insurance", "unemployment" and "vocational-training" or any derivatives of the said words.

(2) Any companies which do not hold a licence to carry out supplementary voluntary unemployment and/or vocational-training insurance activity may not use in the business names thereof any collocation of the words referred to in Paragraph 1 or any words of equivalent meaning in the Bulgarian or any foreign language.

Applicable Provisions

Article 123m. (New, SG No. 67/2003) The provisions of Section II of Chapter Nine herein shall apply to any unregulated matters regarding the incorporation, licensing, management, representation and activity of unemployment and/or vocational-training insurance companies, including the contracts with custodian banks and with the persons under Article 123c herein.

Section IV

(New, SG No. 21/2012)

Remuneration Policy of Supplementary Social Insurance Companies

Remuneration Policy

Article 123n. (New, SG No. 21/2012) Supplementary social insurance companies shall adopt and implement a remuneration policy in respect of the persons working for them.

(2) The Commission shall, by an ordinance, lay down the requirements applicable to the remuneration policy and the manner of its disclosure.

TITLE TWO

(New, SG No. 67/2003)

SUPPLEMENTARY COMPULSORY RETIREMENT INSURANCE

Chapter Nine "a"

(New, SG No. 67/2003)

GENERAL PROVISIONS

Procedures for Implementation

Article 124. (Amended, SG No. 67/2003) (1) (Amended and supplemented, SG No. 107/2014, effective 1.01.2015, amended, SG No. 61/2015, effective 15.08.2015) Supplementary compulsory retirement insurance shall be implemented under the terms and according to the procedure established by this Title on the basis of a contract concluded by the insured person with a retirement insurance company or on the basis of a non-discretionary allocation under the terms established by Article 137(4) and Article 140(4) herein.

(2) (Amended, SG No. 107/2014, effective 1.01.2015, supplemented, SG No. 61/2015, effective 15.08.2015, SG No. 92/2017) The social insurance relationship with the retirement insurance company shall arise as of the date of conclusion of the first social insurance contract or the date of non-discretionary allocation to a supplementary compulsory retirement insurance fund.

(3) (New, SG No. 107/2014, effective 1.01.2015, amended and supplemented, SG No. 92/2017) The social insurance relationship shall be terminated as from the first day of the month following the month of election, if the person has elected to be insured only in the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social security.

Option by Persons under Article 4b (1) to Resume their Insurance in a Universal Pension Fund

Article 124a. (New, SG No. 61/2015, effective 15.08.2015) (1) (Amended, SG No. 92/2017, effective 1.01.2018) Persons under Article 4b (1) who opted to shift from insurance in a universal pension fund to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, may opt to resume their insurance in a universal pension fund not later than 5 years prior to attaining the age under Article 68 (1), and if no contributory-service and retirement-age pension has been granted to them.

(2) The persons referred to in Paragraph (1) may exercise their option after the expiry of one year of exercising their option under Article 4b (1).

(3) (Amended, SG No. 92/2017, effective 1.01.2018) Such choice shall be made by an individual application filed by the person to the retirement insurance company managing the fund in which such person wishes to participate. At the time of filing the application, the person shall conclude a social insurance contract with the company. The contract shall take effect provided that the requirements of Paragraphs (1) and (2) are fulfilled, and the social insurance relationship shall arise from the first day of

the month following the month of the election.

(4) (Amended, SG No. 92/2017, effective 1.01.2018) The procedure and method of collection and allocation of the social insurance contributions for the persons under Paragraph (1) shall be regulated by the Ordinance referred to in Article 179 (3) of the Tax and Social Insurance Procedure Code.

(5) (New, SG No. 92/2017, effective 1.01.2018) The procedure for filing the application referred to in the first sentence of Paragraph (3) and the requirements concerning the content thereof shall be established by an ordinance by the Commission.

Commencement of the social insurance relationship in the event of change of participation

Article 124b. (New, SG No. 92/2017) Upon change in the participation of the insured person from one into another supplementary compulsory retirement insurance fund, the legal relationship with the company managing the fund to which the person is transferred shall arise from the date of transfer of the funds in his/her individual account, and the legal relationship with the company managing the fund in which the person was insured shall be terminated from the same date.

Principles

Article 125. (1) Supplementary compulsory retirement insurance shall be performed in observance of the following principles:

1. (supplemented, SG No. 107/2014, effective 1.01.2015, amended, SG No. 61/2015, effective 15.08.2015, supplemented, SG No. 92/2017) mandatory participation except for the persons insured in the Pensions Fund or in the Pensions Fund for persons under Article 69, as the case may be, in accordance with the procedure of Article 4b (1) and/or Article 4c (1);

2. separate legal personality of the retirement insurance company and the of the universal and the occupational pension funds;

3. transparency, separateness and exclusivity of the activity;

4. licensing system and State regulation;

5. mandatory periodic reporting and disclosure of information;

6. fair competition among the retirement insurance companies;

7. representation of the interests of the insured persons.

(2) (Amended and supplemented, SG No. 92/2017) Supplementary compulsory retirement insurance in universal and occupational pension funds shall be implemented through pension schemes on a fully funded principle on the basis of defined contributions.

Management of Resources of Pension Fund

Article 126. (Supplemented, SG No. 17/2006) The resources of the pension fund shall be managed by the retirement insurance company exercising the care of responsible merchantship and observing the principles of reliability, liquidity, profitability and diversification in the best interest of the insured persons.

Insured Persons

Article 127. (1) (Effective 1.01.2002, amended, SG No. 64/2000, SG No. 67/2003, SG No. 100/2011, effective 1.01.2012, supplemented, SG No. 107/2014, effective 1.01.2015, amended and supplemented, SG No. 92/2017) All persons born after the 31st day of December 1959 shall be compulsorily insured for a supplementary pension at a universal pension fund, provided that the said persons are insured in the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance except for the persons, insured in accordance with the procedure of

Article 4b.

(2) (Supplemented, SG No. 100/2011, effective 1.01.2012, SG No. 92/2017) Persons working under the conditions of Work Categories I and II, which are insured in the Pensions Fund of the public social insurance, shall furthermore be compulsorily insured at an occupational pension fund for an early-retirement pension regardless of age, except for the persons, insured in the Pensions Fund in accordance with the procedure of Article 4b.

(3) (Amended, SG No. 106/2013, effective 1.01.2014, supplemented, SG No. 107/2014, effective 1.01.2015, repealed, SG No. 61/2015, effective 15.08.2015).

(4) (New, SG No. 119/2002, amended, SG No. 67/2003) As from the 1st day of January 2004, the persons under Item 4 of Article 4 (1) herein shall be insured at a universal pension fund for a supplementary pension.

(5) (New, SG No. 67/2003, effective 1.01.2004, supplemented, SG No. 43/2008, amended and supplemented, SG No. 99/2012, effective 1.01.2013, amended, SG No. 79/2015, effective 1.11.2015) Employees of the State Intelligence Agency, the Defence Information Service of the Ministry of Defence and the State Agency for National Security shall not be insured at a universal pension fund for a supplementary pension.

(6) (New, SG No. 107/2014, effective 1.01.2015, repealed, SG No. 61/2015, effective 15.08.2015).

(7) (New, SG No. 107/2014, effective 1.01.2015, repealed, SG No. 61/2015, effective 15.08.2015).

(8) (New, SG No. 107/2014, effective 1.01.2015, repealed, SG No. 61/2015, effective 15.08.2015).

Personal Nature of Social Insurance

Article 128. (1) (Previous text of Article 128, SG No. 1/2002) Supplementary compulsory retirement insurance shall be personal. Each person insured at an occupational and at a universal pension fund shall have an individual social insurance number and an individual social insurance account.

(2) (New, SG No. 1/2002, amended, SG No. 67/2003, SG No. 105/2005) The National Revenue Agency and the retirement insurance companies shall keep the data concerning the persons under Item 4 of Article 4 (1) herein in separate registries according to the Classified Information Protection Act.

(3) (New, SG No. 67/2003, amended, SG No. 105/2005) The data concerning persons under Paragraph 2 shall be provided according to a procedure established by the Executive Director of the National Revenue Agency and the Chairperson of the State Commission on Information Security.

Individual Account

Article 129. (Amended, SG No. 67/2003) (1) (Amended, SG No. 92/2017) The following shall be recorded and accrued on the individual account of each secured person at the date of their receipt on the account of the fund.

1. the supplementary compulsory retirement insurance contributions and the interest amounts on them;
2. the resources transferred from another fund for supplementary compulsory retirement insurance;
3. the funds transferred from the State Fund for Guaranteeing the Stability of the State Pension System.

(2) (Amended, SG No. 92/2017) Each insured person may have only one individual account at a universal and, respectively, at an occupational pension fund. Records of the contributions made and the other resources received, the amounts paid and transferred, as well as the fees and deductions collected shall be recorded in the individual account.

(3) (Amended, SG No. 92/2017) The individual account shall be kept in terms of Bulgarian leva and units. The supplementary compulsory retirement insurance contributions, the resources transferred from another fund and the other amounts received into the account shall be accounted in terms of units and fractions of units.

(4) Deductions, as a percentage of each social insurance contribution, shall be made before determination of the units under

Paragraph 3.

- (5) Each unit shall represent a proportional part of the net assets of the fund. All units in a fund shall be equal in value, which shall be determined and declared according to Paragraph 9.
- (6) The value of all units and fractions of units in the fund shall be equal to the net asset value of the fund.
- (7) The return on investment of the resources of the fund shall be included upon determination of the value per unit according to Paragraph 5.
- (8) No reallocation of resources and units among individual accounts shall be admissible.
- (9) (Supplemented, SG No. 92/2017, effective 18.11.2018) The procedure and manner for calculation and declaration of the value per unit, as well as the requirements to the keeping of the individual account, shall be established by the ordinance referred to in Article 181 (2) herein.
- (10) On the day of receipt of the first contribution at a supplementary compulsory retirement insurance fund or on the day of first reporting of the resources accrued on the individual accounts in units, the value per unit shall be equal to BGN 1.
- (11) The resources accrued on the individual account of the insured persons shall not be subject to enforced execution.
- (12) (New, SG No. 61/2015, effective 15.08.2015) Upon a shift from insurance in a universal pension fund to the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, the funds accrued on a person's individual account in a universal pension fund shall be transferred into the State Fund to Safeguard the State-Run Pension System's Sustainability.
- (13) (New, SG No. 61/2015, effective 15.08.2015, supplemented, SG No. 92/2017) The funds accrued on the individual accounts of the insured persons under Paragraph (1), who made an election under Article 4b, shall be remitted by the universal pension fund concerned to the relevant account of the National Revenue Agency within 6 months of the starting date of insurance in the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be.
- (14) (New, SG No. 61/2015, effective 15.08.2015) Upon a shift from insurance in the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, to a universal pension fund, where funds have previously been transferred into the State Fund to Safeguard the State-Run Pension System's Sustainability for the person concerned, such funds shall be transferred into his/her individual account in the universal pension fund of his/her choice.
- (15) (New, SG No. 61/2015, effective 15.08.2015, amended, SG No. 92/2017) Upon the granting of a pension under Title One or in the event of death to a person in respect whereof funds have been transferred as provided for in Paragraph (12), such funds shall be transferred to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system.
- (16) (New, SG No. 61/2015, effective 15.08.2015) The cost of the transactions under Paragraphs (12) to (15) shall be covered by the budget dealings with the national budget and/or by funding under Article 154(16) of the Public Finance Act.
- (17) (New, SG No. 61/2015, effective 15.08.2015) The funds accrued in the individual accounts of persons under Article 4c (1) shall be transferred to the Pensions Fund within 6 months of their exercising the option concerned.
- (18) (New, SG No. 61/2015, effective 15.08.2015, amended, SG No. 92/2017) The Minister of Finance shall specify the procedure and method of accounting for transactions with the accounts of the National Revenue Agency, the national budget, the State Fund to Safeguard the State-Run Pension System's Sustainability and the public social insurance budget resulting from the application of Paragraphs (12) to (16).
- (19) (New, SG No. 61/2015, effective 15.08.2015, amended, SG No. 98/2015, effective 15.08.2015) The procedure and method of transferring the funds accrued as provided for in Paragraphs (13), (14) and (17) and exchanging the relevant information (data) shall be regulated by the Ordinance under Article 179(3) of the Tax and Social Insurance Procedure Code.

Social Insurance Risks

Article 130. (Repealed, SG No. 67/2003).

Amount of Pension

Article 131. (1) (Previous text of Article 131, SG No. 1/2002) A pension shall be determined on the basis of the amount accrued on the individual account from the contributions made and from the return on the investment of the said contributions, reduced by the fees and deductions provided for in this Title, and depending on the life expectancy after retirement in accordance with the endorsed biometric tables.

(2) (New, SG No. 1/2002) Where the amount of the pension is up to 20 per cent of the social old-age pension, the amount shall be paid to the pensioner in a lump sum or by instalments upon acquisition of entitlement.

State Regulation and Control

Article 132. (Repealed, SG No. 67/2003).

Chapter Ten

SUPPLEMENTARY COMPULSORY RETIREMENT INSURANCE FUNDS (Heading amended, SG No. 67/2003)

Incorporation, Management and Representation of Pension Funds

Article 133. (Amended, SG No. 67/2003) (1) Supplementary compulsory retirement insurance shall be implemented through participation in universal and/or occupational pension funds which shall be incorporated and managed by retirement insurance companies licensed according to the procedure established by this Code.

(2) In the relationships thereof with third parties, occupational and universal pension funds shall be represented solely by licensed retirement insurance companies.

(3) The retirement insurance companies and the universal and occupational pension funds shall have separate legal personality.

(4) A retirement insurance company may incorporate and manage only one universal and one occupational pension fund.

(5) Universal and occupational pension funds shall be established at will.

Liability of Retirement Insurance Companies

Article 134. (1) (Amended, SG No. 67/2003, SG No. 92/2017) Retirement insurance companies shall be liable by the property thereof to the insured persons and the pensioners for any losses which have occurred as a result of fulfilment in bad faith of the obligations of such companies regarding the management and representation of the respective pension funds. In case of bankruptcy, the assets for covering the pension reserve under Article 192 (2) herein shall not be included in the bankruptcy estate of the retirement insurance companies.

(2) The assets of the pension funds shall be excluded from the liability of the said funds for any losses resulting from actions of the companies which have incorporated the said funds, nor for any losses from the activity of the retirement insurance company which manages and represents the fund.

Business Name of Pension Fund

Article 135. (1) The business name of a pension fund shall mandatorily include a collocation of the words "pension", "occupational" or "universal" and "fund" or any derivatives of the said words, as well as an indication of the type of the fund.

(2) Only a fund registered in accordance with this Code may use in its business name, in the description of the activities thereof or in advertising any collocation of the words "pension", "occupational" or "universal" and "fund" or any derivatives of the said words.

Prohibition of Acquisition by Prescription

Article 136. The assets of a universal and/or occupational fund may not be acquired by prescription.

Universal Pension Fund

Article 137. (1) (Amended, SG No. 92/2017) A universal pension fund shall be incorporated by a licensed retirement insurance company by a decision of the general meeting of shareholders of the said company.

(2) A licensed retirement insurance company may incorporate only one universal pension fund.

(3) (Supplemented, SG No. 56/2006, effective 15.07.2006, amended, SG No. 107/2014, effective 1.01.2015, SG No. 61/2015, effective 15.08.2015, SG No. 92/2017) Insured persons shall participate in a universal pension fund through a personal application submitted to the retirement insurance company within three months after initial occurrence of the social insurance obligation. The procedure for submission of the application and the requirements concerning the form and content thereof shall be established by an ordinance by the Commission.

(4) (Amended, SG No. 67/2003, SG No. 112/2003, SG No. 105/2005, SG No. 107/2014, effective 1.01.2015, SG No. 61/2015, effective 15.08.2015) Any persons who have not chosen a universal pension fund according to the procedure established by Paragraph (3), shall be allocated on a non-discretionary basis to the registered universal funds in a manner and according to a procedure established by the National Revenue Agency and the Commission.

(5) (Repealed, SG No. 67/2003).

Minimum Number of Participants in Universal Pension Fund

Article 138. (Repealed, SG No. 67/2003).

Entitlement upon Social Insurance at Universal Pension Funds

Article 139. (1) Social insurance at a universal pension fund shall entitle the insured person to:

1. (amended, SG No. 67/2003) a supplementary lifelong old-age pension after acquisition of entitlement to a contributory-service and retirement-age pension under Part One herein;

2. (amended, SG No. 1/2002, SG No. 67/2003, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, supplemented, SG No. 92/2017) a lump-sum or deferred payment of up to 50 per cent of the funds accrued on the individual account in case of working capacity permanently reduced by more than 89.99 per cent;

3. a lump-sum payment or payment by instalments of amounts to the survivors of a deceased person or of a pensioner under the terms and according to the procedure established by this Title.

(2) (Repealed, SG No. 67/2003).

Occupational Pension Fund

Article 140. (1) (Amended, SG No. 92/2017) An occupational pension fund shall be incorporated by a licensed retirement insurance company by a decision of the general meeting of shareholders of the said company.

(2) A licensed retirement insurance company may incorporate only one occupational pension fund.

(3) (Supplemented, SG No. 56/2006, effective 15.07.2006) Insured persons shall participate in an occupational pension fund through a personal application submitted to the retirement insurance company within three months after occurrence of the social insurance obligation. The procedure for submission of the application and the requirements to the form and content thereof shall be established by the ordinance referred to in Article 137 (3) herein.

(4) (Amended, SG No. 67/2003, SG No. 112/2003, SG No. 105/2005) Any persons, who have not chosen an occupational pension fund according to the procedure established by Paragraph 3, shall be allocated on a non-discretionary basis to the registered occupational funds in a manner and according to a procedure established by the National Revenue Agency and the Commission.

(5) (Repealed, SG No. 67/2003).

Participants in Occupational Pension Fund

Article 141. (Repealed, SG No. 67/2003).

Entitlement Upon Social Insurance at Occupational Pension Fund

Article 142. (1) Social insurance at an occupational pension fund shall entitle the insured person to:

1. (amended, SG No. 100/2010, effective 1.01.2011) a fixed-period early-retirement occupational pension for under the conditions laid down in Article 168;

2. (supplemented, SG No. 1/2002, amended, SG No. 67/2003, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, supplemented, SG No. 92/2017) a lump-sum or deferred payment of up to 50 per cent of the funds accrued on the individual account in case of working capacity permanently reduced by more than 89.99 per cent;

3. (amended, SG No. 67/2003) a lump-sum payment or payment by instalments of amounts to the survivors of a deceased insured person or of a pensioner under the terms and according to the procedure established by this Title.

(2) (Repealed, SG No. 67/2003).

Social Insurance Contract

Article 142a. (New, SG No. 92/2017) (1) Social insurance contracts in supplementary compulsory retirement insurance funds shall be open-ended and shall be prepared and signed in two counterparts – one for each party.

(2) The social insurance contract shall mandatorily state:

1. data about the parties to the contract:

a) names of the insured person according to his/her identity document and PIN, or analogous data regarding the foreign person;

- b) business name, seat, registered office, pension licence and commercial registration of the retirement insurance company;
2. the name, court registration and unified identification code of the supplementary compulsory retirement insurance fund;
3. the date and incoming number of the application for participation, for change of participation or for resumption of insurance, respectively the number and date of the protocol for allocation on a non-discretionary basis;
4. the subject and scope of social insurance;
5. the rate of the social insurance contribution;
6. the amount of fees and deductions;
7. the rights and obligations of the parties to the contract and the survivors of the insured person;
8. the procedure and manner for receiving information;
9. the date of conclusion of the social insurance contract and the conditions for its entering into force;
10. the terms for termination of the contract;
11. the names according to an identity document and the official number in the retirement insurance company of the insurance intermediary, respectively of the person authorised by a legal-person insurance intermediary, in the cases where the contract is concluded through its mediation.

Rules of Organization and Operation of Supplementary Compulsory Retirement Insurance Fund

Article 143. (1) (Amended, SG No. 56/2006) The rules of organization and operation of a supplementary compulsory retirement insurance fund shall be adopted by the managing bodies of the retirement insurance company.

(2) (Amended and supplemented, SG No. 67/2003, amended, SG No. 92/2017, effective 1.04.2018) The rules of organisation and operation of the pension fund must state:

1. the business name of the fund;
2. the business name, registered office, and address of the place of management of the retirement insurance company which manages the fund;
3. the conditions for supplementary compulsory retirement insurance in the fund;
4. the terms and procedure for conclusion of social insurance or pension contracts and contracts for payment by instalments, the

- procedure for amending and supplementing such contracts, and the terms for the termination of the social insurance relationship;
5. the terms and procedure for keeping the individual accounts and for provision of account statements to the insured person;
 6. the main goals and objectives of the fund's investment policy;
 7. the amount of fees and deductions charged by the retirement insurance company;
 8. the terms, procedure and time limits for payment of pensions and of the lump-sum payments or payments by instalments;
 9. the terms, procedure and time limits for transfer of the funds accrued on the individual account on the request of the insured person;
 10. the terms and procedure for amending and supplementing the Rules;
 11. an express specification of the manner and the procedure for notices and communications related to the activity of the pension fund;
 12. the methods and intervals of valuation of the assets of the fund;
 13. the rights and obligations of the retirement insurance company, of the persons under Article 123d herein, of the insured person, the pensioners and their survivors;
 14. the procedure and manner for establishment of the reserve for payment of lifelong pensions;
 15. the procedure and manner of guaranteeing the minimum rate of return on investment of the resources of the insured persons;
 16. the dates of adopting the rules and of the subsequent amendments and supplements thereto, and data regarding the Commission decisions whereby the rules, amendments and supplements have been approved.

(3) (New, SG No. 92/2017, effective 1.04.2018) Upon filing an application under Article 124a (3), Article 137 (3) and Article 140 (3) herein or upon concluding a social insurance contract, the insured person shall receive, upon request and against signature, a certified copy of the rules of the supplementary compulsory retirement insurance fund and its investment policy, effective on the date of filing the application or the conclusion of the contract, as applicable.

Rules of Supplementary Compulsory Retirement Insurance Fund, How Amended and Supplemented

Article 144. (1) (Amended, SG No. 8/2003, effective 1.03.2003, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) Any clauses amending and supplementing the Rules under Article 143 (2) herein shall be approved by the Commission on a motion by the Deputy Chairperson of the Commission.

(2) (New, SG No. 92/2017, effective 18.11.2018) For the approval of amendments to the Rules, the retirement insurance company shall file with the Commission a request, enclosing therewith:

1. the resolution of the management body to adopt the changes, which or an annex to which details the amendments and supplements in the specific texts of the Rules;
2. a copy of the rules of organisation and operation of the respective fund including the amendments thereto, certified by the person or persons representing the company; after each amendment the date on which it was adopted shall be stated;
3. standard forms of social insurance and pension contracts and contracts for payment by instalments, as well as of the other internal documents of the company, where the amendments to the Rules make it necessary to amend such standard forms.

(3) (New, SG No. 92/2017, effective 18.11.2018) The Deputy Chairperson of the Commission may require that inconsistencies in the documents under referred to in Paragraph (2) be corrected, supplemented or removed, and that additional information be provided, setting a deadline for such submission no longer than one month.

(4) (New, SG No. 92/2017, effective 18.11.2018) The Commission, upon a proposal from the Deputy Chairperson of the

Commission, shall render a decision within one month after the filing of the request, and in the cases under Paragraph (3) – within one month of the provision of the respective documents or information. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission. The applicant shall be notified in writing within seven days of the decision made.

(5) (Amended, SG No. 67/2003, renumbered from Paragraph 2, amended, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall notify the insured persons of the specific clauses amending and supplementing the rules of organisation and operation of the pension fund in person or by means of an insertion in two national daily newspapers within one week after receipt of the decision of the Commission.

Pension Fund Management Authorisation

Article 145. (Amended, SG No. 8/2003, SG No. 67/2003, SG No. 34/2006, amended and supplemented, SG No. 22/2015, effective 24.03.2015, amended, SG No. 92/2017, effective 18.11.2018) (1) A universal or occupational pension fund management authorisation shall be issued by the Commission on a motion by the Deputy Chairperson of the Commission. Any licensed retirement insurance company wishing to obtain such an authorisation shall submit a written request to the Commission completed in a standard form endorsed by the Deputy Chairperson of the Commission, enclosing therewith:

1. the minutes containing the resolution of the general meeting of shareholders of the licensed retirement insurance company on incorporation of a universal or occupational pension fund;
2. the rules of organisation and operation of the universal or the occupational pension fund and the minutes containing the resolution on its adoption;
3. the actuarial assumptions concerning the pension schemes offered and the names and personal data of the actuary;
4. the standard forms of social insurance and pension contracts;
5. the preliminary contracts with a custodian bank and the declarations of compliance with the requirements of Article 121e (9), Article 123b (2) and Article 123c (2) completed in a standard form endorsed by the Deputy Chairperson of the Commission;
6. the financial statements of the company at the last day of the preceding month;
7. the documents certifying the compliance of the information system of the company with the specific features and the volume of the activity related to the management of the established fund;
8. information about the staff available in the company;
9. the investment policy of the universal or occupational pension fund, as the case may be;
10. the rules referred to in Article 179c (1) herein;
11. documentary proof of payment of a fee for examination of documents.

(2) The Deputy Chairperson of the Commission may require that inconsistencies in the documents under referred to in Paragraph (1) be corrected, supplemented or removed, and that additional information be provided, setting a deadline for such submission no longer than one month.

(3) Upon receipt of the authorisation under Paragraph (1), the company shall submit to the Commission the documents specified in Paragraph (1) within 14 days of their change, unless another procedure is provided for approval or notification.

(4) The Commission shall determine by the ordinance referred to in Article 122a (5) herein the requirements to the documents specified in Items 3, 7, 8 and 10 of Paragraph (1).

Time Limit for Consideration of Request for Pension Fund Management Authorisation

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 146. (Amended, SG No. 8/2003, effective 1.03.2003, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) The Commission shall render a decision within one month after the filing of the request specified in Article 145 (1) herein, and in the cases under Article 145 (2) herein – within one month of the provision of the respective documents or information. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission. The applicant shall be notified in writing within seven days of the decision made.

Refusal to Issue Pension Fund Management Authorization

Article 147. (Amended, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall refuse to give an authorisation where:

1. within the time limit allowed under Article 145 (2) herein, the additional documents or information have not been submitted or the inconsistencies have not been rectified;
2. the requirements of this Code and of the statutory instruments on its application are not complied with;
3. the retirement insurance company lacks sufficient financial, human and information resources;
4. an effective coercive administrative measure under Item 1, 5, 11 or 12 of Article 344 (2) has been enforced on the company.

(2) In case of refusal, the retirement insurance company may not reapply for a universal or occupational pension fund management authorization earlier than six months after the date of the refusal.

Recording by Court

Article 148. (Amended, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The district court exercising jurisdiction over the registered office of the fund shall record in its register the universal or the occupational pension fund, respectively, if the retirement insurance company has submitted an application for recording within six months after receipt of the authorisation by the Commission.

(2) The application for recording by the court shall state:

1. the business name, registered office and address of the place of management of the retirement insurance company;
2. the business name of the pension fund;
3. the forenames, patronymics and surnames and the Standard Public Registry Personal Numbers of the persons who manage and represent the retirement insurance company.

(3) A universal or occupational fund shall be recorded in the register of the district court exercising jurisdiction over the registered office thereof.

(4) The existence of a supplementary compulsory retirement insurance fund as a legal person shall commence as from the date of recording in the court register.

Revocation of Fund Management Authorisation

Article 149. (Amended, SG No. 8/2003, effective 1.03.2003, SG No. 67/2003) (1) (Previous text of Article 149, amended, SG No. 92/2017, effective 18.11.2018) The Commission on a motion by the Deputy Chairperson of the Commission shall revoke a universal or occupational fund management authorisation in the following cases:

1. ascertainment that the documents which served as grounds for the issuance of the authorisation contain untrue data;

2. failure to file an application for court registration within six months after receipt of a universal or occupational fund management authorisation;
3. transformation of a retirement insurance company whereby the management of the fund is transferred to another retirement insurance company;
4. dissolution of the fund through merger by acquisition or merger by the formation of another supplementary compulsory retirement insurance fund;
5. existence of a real and imminent jeopardy to the interests of the insured persons;
6. revocation of the pension licence of the retirement insurance company managing the fund.

(2) (New, SG No. 92/2017, effective 18.11.2018) The Commission can revoke the management authorisation of a supplementary compulsory retirement insurance fund in the event of gross violation or systematic violations of the provisions of this Code and the statutory instruments on its application in the course of the fund's management.

Documents Required for Recording

Article 150. (1) The following documents shall be submitted to the court for the purpose of recording of a universal and/or of occupational pension fund:

1. (amended, SG No. 67/2003) a universal or occupational pension fund management authorization;
2. (amended, SG No. 67/2003) the rules of organization and operation of the universal or occupational pension fund;
3. the articles of association of the retirement insurance company which manages and represents the pension fund;
4. (amended, SG No. 34/2006) a current certificate of entry of the retirement insurance company in the Commercial Register;
5. (amended, SG No. 64/2000) a list of the members of the managing bodies of the retirement insurance company;
6. a pension licence of the retirement insurance company;
7. (amended, SG No. 67/2003) the resolution of the General Meeting of the retirement insurance company on establishment of a supplementary compulsory retirement insurance fund;
8. the forename, patronymic and surname and the Standard Public Registry Personal Number of the persons who manage and represent the retirement insurance company.

(2) The business name of the universal and/or occupational pension fund; the business name, registered office and address of the place of management of the retirement insurance company which has established the fund; the manner of representation of the retirement insurance company shall be recorded in the court register.

Time Limit for Pronouncement by Court

Article 151. The court shall consider the application for recording within 14 days after the date of submission of the said application.

Refusal to Record

Article 152. The court shall refuse to effect the recording if the requirements established in this Title are not fulfilled.

Obligation to Submit Transcript of Judgment of Court

Article 153. (Amended, SG No. 8/2003, SG No. 67/2003) The retirement insurance company shall be obligated to submit to the Commission a certified transcript of the judgment of court on recording within seven days after receipt of the said judgment.

Responsibility for Recording Costs

Article 154. All costs incurred in connection with the recording of the occupational and/or universal fund and all actions taken for the purpose of its incorporation and recording shall be effected on behalf and for the account of the retirement insurance company.

Obligations of Retirement Insurance Company after Revocation of Pension Fund Management Authorization

Article 154a. (New, SG No. 67/2003) (1) After revocation of a universal or occupational pension fund management authorization, the retirement insurance company may not conclude new contracts or offer new conditions for supplementary compulsory retirement insurance, nor modify the conditions under social insurance contracts concluded for the respective fund. (2) Revocation of a universal or occupational pension fund management authorization shall not exempt the retirement insurance company from its obligations under concluded contracts.

Obligation of the Commission after Revocation of the Pension Fund Management Authorisation

(Heading amended, SG No. 92/2017)

Article 154b. (New, SG No. 67/2003, amended, SG No. 92/2017) The Commission shall transmit a communication on the revocation of a universal or occupational pension fund management authorisation to the court which has effected the recording, shall cause promulgation of the communication in the State Gazette and shall insert the said communication in at least two national daily newspapers.

Board of Trustees

Article 155. (1) The interests of the persons insured in the funds shall be represented by a Board of Trustees. (2) The Board of Trustees shall consist of an equal number of representatives of the nationally representative organizations of factory and office workers and of employers and one representative of the retirement insurance company. (3) (Amended, SG No. 8/2003, SG No. 67/2003) The rights and obligations of the Board of Trustees shall be regulated by an act of the Council of Ministers on a motion by the Commission. (4) The proposals and decisions of the Board of Trustees shall have an advisory nature in respect of the retirement insurance company.

Supervision

Article 156. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Chapter Eleven SOCIAL INSURANCE CONTRIBUTIONS

Type and Rates of Social Insurance Contributions

Article 157. (1) (Amended, SG No. 112/2004) The rates of supplementary compulsory retirement insurance shall be:

1. for a universal pension fund:

(a) for 2005: 3 per cent;

(b) for 2006: 4 per cent;

(c) for 2007: 5 per cent;

(d) (new, SG No. 100/2010, effective 1.01.2011, repealed, SG No. 61/2015, effective 1.01.2016);

2. for an occupational pension fund:

(a) 12 per cent: for persons working under Work Category I conditions;

(b) 7 per cent: for persons working under Work Category II conditions.

(2) (New, SG No. 112/2004, repealed, SG No. 99/2009, effective 1.01.2010).

(3) (Amended, SG No. 1/2002, renumbered from Paragraph 2, SG No. 112/2004, amended, SG No. 109/2008, effective 1.01.2009) As of 1 January 2009 the contributions to universal pension funds shall be covered by social insurance contributors and insured persons as follows:

1. (supplemented, SG No. 100/2010, effective 1.01.2011, amended, SG No. 61/2015, effective 1.01.2016) 2.2 percent at the expense of the insured person;

2. (supplemented, SG No. 100/2010, effective 1.01.2011, amended, SG No. 61/2015, effective 1.01.2016) 2.8 percent at the expense of the social insurance contributor.

(4) (Renumbered from Paragraph 3, SG No. 112/2004, supplemented, SG No. 99/2009, effective 1.01.2010) Contributions to occupational pension funds shall be entirely for the account of the social insurance contributors, while persons under Article 4a(1) shall pay contributions to occupational pension funds for their own account;

(5) (Renumbered from Paragraph 4, SG No. 112/2004, supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 100/2011, effective 1.01.2012) Self-insured persons and persons under Article 4a(1) shall be insured at a universal pension fund entirely for their own account.

(6) (New, SG No. 1/2002, renumbered from Paragraph 5, SG No. 112/2004, amended, SG No. 100/2010, effective 1.01.2011) Supplementary compulsory retirement insurance contributions shall be remitted on the income for which public social retirement insurance contributions are due, with the exception of Article 9 (6) and (7).

(7) (New, SG No. 67/2003, renumbered from Paragraph 6, SG No. 112/2004) Social insurance contributions for supplementary compulsory retirement insurance in an occupational pension fund for persons who receive a contributory-service and retirement-age pension shall be transferred to the Pensions Fund of public social insurance.

Transfer of Social Insurance Contribution

Article 158. (Supplemented, SG No. 99/2009, effective 1.01.2010) Supplementary compulsory retirement insurance contributions shall be transferred simultaneously with the public social insurance contributions. Insurance contributions of persons under Article 4a(1) shall be deducted and paid as per the procedure laid down in Article 4a(7).

Article 159. (1) (Amended, SG No. 105/2005, SG No. 99/2009, effective 1.01.2010) Social insurance contributions for additional mandatory pension insurance and interest thereof shall be collected by the National Revenue Agency.

(2) (New, SG No. 94/2012, effective 1.01.2013) The social insurance contributors and the self-insured persons shall remit the social insurance contributions under Paragraph 1 to the respective account for supplementary compulsory retirement insurance of the competent territorial directorate of the National Revenue Agency.

(3) (Amended, SG No. 105/2005, renumbered from Paragraph 2, SG No. 94/2012, effective 1.01.2013) The social insurance contributions under Paragraph 1 shall be transferred to a special account for compulsory supplementary retirement insurance at the National Revenue Agency.

(4) (Amended, SG No. 105/2005, repealed, SG No. 56/2006, new, SG No. 94/2012, effective 1.01.2013, amended, SG No. 98/2013, effective 1.12.2013, SG No. 18/2014, effective 4.03.2014) In case of existence of a number of obligations, prior to the start of the compulsory collection thereof, he may elect which of them he would repay. If he had not elected thereof, filing of the obligations shall be carried out under the procedure of Article 169(5) and (6) of the Tax and Social-Insurance Procedure Code.

(5) (Amended, SG No. 105/2005, repealed, SG No. 56/2006, new, SG No. 94/2012, effective 1.01.2013) In case of discrepancy between the data submitted concerning the insured persons and the social insurance contributions remitted for supplementary compulsory retirement insurance, the transfers to the retirement insurance company shall be made in proportion to the social insurance contributions for persons, calculated in accordance with the data under Article 5(4), point 1.

(6) (Amended, SG No. 1/2002, SG No. 105/2005, renumbered from Paragraph 3, SG No. 94/2012, effective 1.01.2013) Within 30 days after the receipt of the contributions, the National Revenue Agency shall transfer them from the special account to an account of the respective pension fund named by the retirement insurance company which manages the said fund.

(7) (Amended, SG No. 105/2005, SG No. 56/2006 renumbered from Paragraph 6 and amended, SG No. 94/2012, effective 1.01.2013) For any unjustifiable delay of the transfer of amounts under Paragraph 6, the National Revenue Agency shall owe legal interest for the period of delay.

(8) (Amended, SG No. 105/2005, renumbered from Paragraph 7, SG No. 94/2012, effective 1.01.2013) The relationships between the National Revenue Agency and the retirement insurance company shall be regulated by contract.

(9) (Amended, SG No. 105/2005, renumbered from Paragraph 8, SG No. 94/2012, effective 1.01.2013) The retirement insurance company shall be liable to the insured persons solely for the social insurance contributions actually transferred by the National Revenue Agency.

Chapter Twelve

TAX RELIEF

Tax Exemption

Article 160. (1) The income of the universal and of the occupational pension fund shall not be taxable according to the procedure established by the Corporate Income Tax Act.

(2) The return on investment of the assets of the occupational and universal fund, as allocated to the individual accounts of the insured persons, shall not be taxable within the meaning given by the Income Taxes on Natural Persons Act.

(3) The services related to supplementary compulsory retirement insurance shall not be taxable according to the procedure established by the Value Added Tax Act.

(4) The financial result of the licensed supplementary compulsory retirement insurance companies shall be reduced by the

pension reserve established under the terms of Article 192 (2) herein, as well as by the return on the investment of the said reserve.

Deduction of Personal Contributions from Taxable Income

Article 161. The personal social insurance contributions for supplementary compulsory retirement insurance at a universal pension fund by natural persons shall be deductible from the income thereof before taxation in a manner, according to a procedure and at rates established by the Income Taxes on Natural Persons Act.

Contributions Allowed as Expense

Article 162. The contributions of employers for supplementary compulsory retirement insurance shall be allowed as operating expense under the Corporate Income Tax Act.

Chapter Thirteen

RIGHTS OF INSURED PERSONS

Restrictions on Social Insurance at Pension Fund

Article 163. Insured persons shall have the right to be insured at only one occupational and/or one universal pension fund.

Non-Liability for Obligations

Article 164. Insured persons and the pension fund shall not be liable for any obligations incurred by the retirement insurance company which has incorporated and manages the said fund.

Insured Persons' Entitlement

Article 165. (Amended, SG No. 67/2003) (1) Persons insured at a universal pension fund shall be entitled to a supplementary lifelong old-age pension, and persons insured at an occupational fund shall be entitled to a fixed-period early-retirement occupational pension.

(2) The pensions under Paragraph 1 shall be personal.

Pension Types

Article 166. (Repealed, SG No. 67/2003).

Entitlement to Supplementary Lifelong Old-Age Pension

(Heading amended, SG No. 92/2017)

Article 167. (Amended, SG No. 67/2003, SG No. 100/2010, effective 1.01.2011, SG No. 92/2017) The insured person shall be entitled to supplementary lifelong old-age pension upon reaching the age specified in Article 68 (1) herein.

(2) If the insured person so wishes, the supplementary compulsory retirement insurance fund may pay a supplementary lifelong old-age pension five years prior to attainment of the age required for entitlement to a contributory-service and retirement-age pension under Article 68 (1) herein, provided that the funds accrued on the individual account of the person allow the granting of such a pension at an amount not less than the amount of the minimum contributory-service and retirement-age pension under Article 1 (68) herein.

Entitlement to Occupational Pension

Article 168. (Amended, SG No. 67/2003, SG No. 112/2004, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015, SG No. 61/2015, effective 1.01.2016) (1) As of 1 January 2016, persons insured in an occupational pension fund shall acquire the entitlement to an early-retirement pension if the following conditions are met:

1. they have at least 10 years of contributory service after 31 December 1999 under the conditions of Work Category I and they have attained an age 10 years shorter than the age under Article 68(1);

2. they have at least 15 years of contributory service after 31 December 1999 under the conditions of Work Category II or Work Category I and II and they have attained an age 5 years shorter than the age under Article 68(1).

(2) For the purposes of assessing the entitlement to pension under Paragraph 1, the contributory service within Work Category I shall supplement the contributory service within Work Category II without transformation.

(3) (Supplemented, SG No. 92/2017) The pension under Paragraph (1) shall be paid until the person concerned attains the age under Article 68 (1) and may not be received along with a pension based on work or a social disability pension under Part One herein.

(4) The required length of contributory service shall be proved by a statement issued by the National Social Security Institute.

Determining Amount of Pension

Article 169. (Amended, SG No. 67/2003) (1) The amount of the supplementary lifelong old-age pension shall be determined on the basis of:

1. the resources accrued on the individual account;

2. (amended, SG No. 92/2017) biometric tables, as approved by the Commission;

3. (amended, SG No. 92/2017) the technical interest rate, as approved by the Commission.

(2) (New, SG No. 92/2017) When the pension under Paragraph (1) is calculated, the life expectancy may not be longer than that defined in the biometric tables.

(3) (Renumbered from Paragraph 2, SG No. 92/2017) The amount of the fixed-period early-retirement occupational pension shall be determined on the basis of:

1. the amounts accrued on the individual account;

2. the period of receipt;

3. (amended, SG No. 92/2017) the technical interest rate, as approved by the Commission.

(4) (New, SG No. 92/2017) Taking into account sex as an actuarial factor in determining the amount of the supplementary lifelong old-age pension shall not be permitted.

Pension Contract

Article 169a. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) A pension contract shall be concluded between the retirement insurance company and the pensioner upon acquisition of entitlement to a pension under the terms established by this Title.

(2) (Amended, SG No. 92/2017) The pension contract shall be concluded in writing and must contain:

1. (amended, SG No. 39/2005, SG No. 34/2006) the business name, registered office, address of the place of management, commercial registration, number and date of pension licence and standard identification code of the retirement insurance company;
2. the names and personal data on the pensioner;
3. the type and amount of the pension and the manner of its recalculation;
4. the period of receipt of the pension;
5. the procedure and manner for payment of the pension;
6. the rights of the survivors of the pensioner;
7. the procedure and manner for provision of information to the pensioner;
8. the costs of the payment of the pension;
9. conditions for termination of the contract.

Contract for Payment by Instalments

Article 169b. (New, SG No. 92/2017) (1) Payment by instalments shall be a contractual payment of the amount accumulated in the individual accounts in several portions of the same or different amounts, in periods of equal or different length.

(2) Contracts for payment in instalments shall be concluded in writing and must contain:

1. the business name, registered office, address of the place of management, commercial registration, number and date of pension licence and unified identification code of the retirement insurance company and the name and unified identification code of the supplementary compulsory retirement insurance fund;
2. the names and personal data of the insured person or his/her survivors;
3. a payment plan;
4. the procedure and manner of executing the payments;
5. the rights of the survivors of the person receiving the payments;
6. the procedure and manner for provision of information to the parties to the contract;
7. the costs associated with the payments;
8. the terms and conditions for modification and termination of the contract.

Rights of Survivors

Article 170. (Amended, SG No. 67/2003) (1) Upon death of the insured person, the resources accrued on the individual account thereof shall be paid in a lump sum or by instalments to the survivors, the surviving spouse, the descendants or the ascendants, observing the order of succession and the amount of the succession shares under the Succession Act.

(2) Upon death of a pensioner of a universal or occupational fund, the survivors under Paragraph 1 shall be paid the balance on his or her individual account.

(3) Where the insured person or the pensioner has no survivors under Paragraph 1, the resources accrued on the individual account in a universal fund shall be transferred to the pension reserve, and the resources accrued on the individual account in an occupational fund shall be transferred to the state budget.

Right to Transfer

Article 171. (Amended, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 1.04.2018) The insured person shall have the right to change his/her participation in a supplementary compulsory retirement insurance fund and transfer the resources accrued on the individual account into another relevant fund managed by another retirement insurance company if one year has elapsed as of the date of:

1. conclusion of his/her first social insurance contract;
2. the allocation on a non-discretionary basis;
3. the commencement of the social insurance relationship under Article 124a (3) herein;
4. specified in Article 124b.

(2) (Repealed, SG No. 92/2017, effective 1.04.2018).

(3) (Amended, SG No. 92/2017, effective 1.04.2018) The insured persons may transfer resources from their individual accounts in the fund if they dissent with any modifications effected in the rules of the said fund or in the fund's investment policy, if the said persons submit an application to this effect within three months after the notification referred to in Article 144 (5) herein or Article 175a (4) herein, as appropriate, except where:

1. the registered office or address of the place of management of the retirement insurance company which manages the fund is changed;
2. the said modifications arise from a revision of the statutory framework.

(4) (Repealed, SG No. 112/2003).

(5) The procedure and manner of switching participation and transferring the amounts accrued on the insured person's individual account from one supplementary compulsory retirement insurance fund to another fund of the same type, managed by another retirement insurance company, shall be established by an ordinance of the Commission.

Right to Withdraw Accrued Amounts

Article 172. The insured person shall have the right, upon retirement, to withdraw in a lump sum or to transfer the resources accrued on the individual account from the occupational fund to a universal fund, if he or she does not meet the requirements under Article 168 herein for entitlement to occupational pension.

Right to Free Information

Article 173. (1) The insured person shall have the right to information at no charge to him or her regarding the resources accrued in the individual account thereof, regarding the rate of return from the management of the said resources and regarding the pension entitlement arising from the resources accrued at least once within a calendar year in manner and according to a procedure established by the rules of the retirement insurance company.

(2) Upon death of the insured person, the right under Paragraph 1 shall be acquired by the persons under Article 170 (1) herein.

Alerting Function

Article 174. (1) (Amended, SG No. 8/2003, SG No. 67/2003) The insured person and the persons under Article 170 (1) herein shall have the right to alert the Board of Trustees and the Commission of any violations in the activity of the retirement insurance company.

(2) (Amended, SG No. 8/2003, SG No. 67/2003) The Board of Trustees or the Commission, as the case may be, shall be obligated to reply in writing to each complaint within two months after the date of receipt thereof.

Chapter Fourteen ASSETS AND INVESTMENT

Investment Principles

Article 175. (Amended, SG No. 92/2017) (1) A retirement insurance company shall adopt an investment policy for each supplementary compulsory retirement insurance fund managed by it. The minimum contents of the investment policy shall be determined by an ordinance of the Commission.

(2) When investing the financial resources of supplementary compulsory retirement insurance funds a retirement insurance company shall be obliged:

1. to implement the investment policy of each fund managed in order to achieve its investment objectives, and to comply with the investment constraints provided for in the policy, this Code and the statutory instruments on its implementation;
2. to adhere to the risk management rules of the respective fund and to manage risks by constantly monitoring and evaluating each investment;
3. to treat equally and fairly the funds it manages;
4. to take all necessary actions to obtain the best possible result for each fund managed thereby, taking into account the price, cost, timing, probability of execution and settlement, the volume and type of the transaction, and any other circumstance relating to its performance;
5. not to allow conflicts of interest.

Investment policy

Article 175a. (New, SG No. 22/2015, effective 23.04.2015) (1) (Amended, SG No. 92/2017, effective 18.11.2018) A retirement insurance company shall adopt an investment policy for each supplementary compulsory retirement insurance fund managed by it. The minimum contents of the investment policy shall be determined by an ordinance of the Commission.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) The company shall review such investment policy on an annual basis, and immediately after any significant change in market and other relevant conditions.

(3) (Amended, SG No. 92/2017) The investment policy shall be submitted to the Commission within 7 days of being adopted, amended or supplemented, as the case may be.

(4) (New, SG No. 92/2017) The retirement insurance company shall inform the insured persons about any amendments and supplements to the investment policy of the fund by means of an announcement in two central daily newspapers and shall publish them on its website within 7 days of the change.

Investment

Article 176. (Amended and supplemented, SG No. 67/2003, amended, SG No. 17/2006, SG No. 56/2006, amended and supplemented, SG No. 41/2009, effective 2.06.2009, amended, SG No. 60/2011, effective 5.08.2011, SG No. 77/2011, SG No. 22/2015, effective 24.03.2015, supplemented, SG No. 62/2017, amended, SG No. 92/2017, effective 18.11.2018) A retirement insurance company may invest the financial resources of a supplementary compulsory retirement insurance fund solely in:

1. debt securities issued or guaranteed by:

a) an EU Member State, the obligations under which constitute government debt, or by the central bank of such Member State;

b) the European Central Bank or by the European Investment Bank;

c) a third country designated by an ordinance of the Commission, the obligations under which constitute government debt, or by the central bank of such third country, which debt securities are admitted to trading in a regulated market in a EU Member State or an official stock exchange market, or in another organised market in a third country, functioning regularly, recognised and publicly available;

d) a third country outside those specified in letter "c", the obligations under which constitute government debt, or by the central bank of such third country, which debt securities are admitted to trading in a regulated market in a EU Member State;

e) international financial organisations; in such cases the securities shall have an investment rating;

2. bonds issued by:

a) a local authority of a EU Member State;

b) a local authority of a third country designated by an ordinance of the Commission; in such cases the bonds shall have an investment rating and shall be admitted to trading in a regulated market in a EU Member State or an official stock exchange market, or in another organised market in a third country, functioning regularly, recognised and publicly available;

c) a local authority of third country outside those specified in letter "c"; in such cases the bonds shall have an investment rating and shall be admitted to trading in a regulated market in a EU Member State;

3. bonds issued or underwritten by certain banks, whereby the resolution of the general meeting of shareholders and the offer to contract a bond loan contain an obligation to require admittance of the said bonds to trading on a regulated market in a EU Member State and to have the bonds admitted to trading on a regulated market in a EU Member State within a period not exceeding six months after the issuing of the said bonds; the aforementioned banks shall be institutions in which the stake held by the state exceeds 50 per cent and which have obtained approval to carry out banking activities according to the legislation of a EU Member State, with a view to funding long-term and medium-term infrastructure projects.

4. corporate bonds admitted to trading in:

a) a regulated market in a EU Member State;

b) an official stock exchange market or in another organised market in a third country, functioning regularly, recognised and publicly available; in such cases the bonds shall have an investment rating;

5. bank deposits with banks which are assigned a minimum credit rating and which have been granted authorisation to carry on business in the territory of a EU Member State;

6. shares units other than shares of a collective investment scheme, as well as rights and options thereon:

a) traded in a regulated market in a EU Member State;

b) traded in an official stock exchange market or in another organised market in a third country, functioning regularly, recognised and publicly available; in such cases the shares and/or units shall be included in indices of such markets;

c) preferred shares of an issuer whose shares are included in the indices referred to in letter "b";

7. shares, offered under the terms of an initial public offering pursuant to the legislation of the member state, for which a prospectus has been approved and published, providing for the obligation for securities acceptance request and securities to be admitted to trading on a member state regulated market within 12 months of their issuing;

8. bonds offered under the terms of an initial public offering pursuant to the legislation of the member state, for which a prospectus has been approved and published, providing for the obligation for bonds acceptance request and bonds to be admitted to trading on a member state regulated market within 12 months of their issuing;

9. secured corporate bonds in respect of which the resolution of the general meeting of shareholders and the offer to contract a bond loan contain an obligation to require admittance of the said bonds to trading on a regulated market, as well as to have the bonds admitted to trading on a regulated market within a period not exceeding six months after the issuing of the said bonds, and where it is stipulated that the requirements of the Public Offering of Securities Act regarding the bondholders' trustee and the securing a public bond issue will apply, mutatis mutandis, to the said bonds;

10. shares in:

a) any special purpose investment company licensed according to the procedure established by the Special Purpose Investment Companies Act, as well as in rights referred to in Item 3 of § 1 of the Supplementary Provisions of the Public Offering of Securities Act, issued upon an increase of the capital of the company;

b) any collective investment scheme the exclusive object of which is investment in real estate, which has been authorised to carry on business under the law of a EU Member State, which is supervised, and the shares in which are admitted to trading on a regulated market in a EU Member State;

11. shares and/or units issued by collective investment scheme established in a EU Member State or in a third country designated by an ordinance of the Commission;

12. shares and/or units in alternative investment funds managed by a person, authorised pursuant to 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 1.7.2011);

13. investment properties in a EU Member State.

(2) The Commission shall determine by an ordinance:

1. the states under Paragraph (1), Item 1, letter "c", Item 2, letter "b", Item 4, letter "b", Item 6, letter "b", and Item 11;

2. the international financial organisations under Paragraph (1), Item 1, letter "e";

3. the minimum levels of the ratings referred to in Paragraph (1), Item 5;

4. the markets referred to in Paragraph (1), Item 1, letter "c", Item 2, letter "b", Item 4, letter "b", and the markets and the indices of these markets referred to in Paragraph (1), Item 6, letter "b".

(3) The credit ratings referred to in Paragraph (1), Article 178 and Article 251 herein shall satisfy the requirements for use for regulatory purposes set out in 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), hereinafter referred to as "Regulation 1060/2009".

Investment prohibition and restrictions on the transactions with assets of a supplementary compulsory retirement insurance fund
(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 177. (Supplemented, SG No. 67/2003, SG No. 38/2005, amended, SG No. 17/2006, SG No. 92/2017, effective 18.11.2018) (1) A retirement insurance company may not invest the financial resources of a supplementary compulsory retirement insurance fund in:

1. financial instruments issued by the retirement insurance company which manages the said fund or by the parties related to the said company;
2. financial instruments issued by the custodian bank of the fund or persons in close links therewith;
3. bank deposits in a bank which is a related party the retirement insurance company;
4. shares and/or units issued by collective investment scheme referred to in Item 11 of Article 176 (1) and by an alternative investment fund referred to in Item 12 of Article 176 (1), managed by a person related to the retirement insurance company;
5. financial instruments which are not fully paid up.

(2) The assets of a supplementary compulsory retirement insurance fund may not be acquired by:

1. the retirement insurance company;
2. persons related to the retirement insurance company;
3. another supplementary retirement insurance fund managed by the retirement insurance company;
4. the custodian bank of the fund or persons in close links therewith;
5. any person under Article 123c (4) or persons in close links therewith;
6. any collective investment scheme or another collective investment undertaking managed by a person related to the retirement insurance company.

(3) A supplementary compulsory retirement insurance fund may not acquire any assets of the persons covered under Paragraph (2).

(4) The prohibition of acquisition under Paragraphs (2) and (3) shall not apply in the cases of a transaction concluded in a regulated market in a EU Member State or an official stock exchange market, or in another organised market in a third country, functioning regularly, recognised and publicly available.

(5) The retirement insurance company may not carry out short selling and margin purchases of financial instruments in the name of a supplementary compulsory retirement insurance fund managed thereby.

(6) Acting on behalf and for the account of a supplementary compulsory retirement insurance fund managed thereby, a retirement insurance company may not acquire or transfer on a regulated market financial instruments referred to in Items 6 and 10 of Article 176 (1) by means of transactions which, according to the trading rules of the relevant regulated market, are subject only to registration on the said market. This prohibition shall not apply to transactions involving shares which are the subject matters of commercial offers.

(7) It shall be inadmissible to use any investment property owned by a supplementary compulsory retirement insurance fund for the needs of the retirement insurance company which manages the said fund and of the parties related to the said company.

Investments in Single Issuer

Article 177a. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) (1) A retirement insurance company and the supplementary compulsory retirement insurance funds managed thereby may not separately acquire more than 7 per cent of the voting shares in a single issuer.

(2) Supplementary compulsory retirement insurance funds managed by the same retirement insurance company may not separately hold 20 and more than 20 per cent of the voting shares in a single issuer.

(3) A retirement insurance company and a supplementary compulsory retirement insurance fund managed thereby may not acquire shares issued by a single issuer and shares and/or units issued by a single collective investment undertaking.

(4) A supplementary compulsory retirement insurance fund may not hold more than 7 per cent of the non-voting shares of a

single issuer.

(5) Supplementary compulsory retirement insurance funds managed by the same retirement insurance company may not separately hold 20 and more than 20 per cent of the non-voting shares in a single issuer.

(6) A supplementary compulsory retirement insurance fund may not hold more than 20 per cent of a single issue of bonds.

(7) A retirement insurance company and the supplementary compulsory retirement insurance funds managed thereby may not separately acquire more than 15 per cent of the shares/units in a single collective investment scheme referred to in Item 11 of Article 176 (1) herein. In such cases, the restrictions under Paragraph (1), (2), (4) and (5) shall not apply.

(8) A retirement insurance company and the supplementary compulsory retirement insurance funds managed thereby may not separately acquire more than 7 per cent of the shares/units in a single collective investment undertaking referred to in Items 10 and 12 of Article 176 (1) herein. In such cases, the restrictions under Paragraph (1), (2), (4) and (5) shall not apply.

Investment Restrictions

Article 178. (Amended, SG No. 8/2003, amended and supplemented, SG No. 67/2003, amended, SG No. 38/2005, SG No. 17/2006, amended and supplemented, SG No. 41/2009, effective 2.06.2009, supplemented, SG No. 62/2017, amended, SG No. 92/2017, effective 18.11.2018) (1) No more than 5 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in financial instruments issued by a single issuer, and this restriction:

1. shall not include the debt securities referred to in letters "a" and "b" of Item 1 of Article 176 (1);

2. shall not include the debt securities with investment rating referred to in letter "c" of Item 1 of Article 176 (1);

3. where the issuer is a bank, the restriction shall also include any bank deposits with the said bank, the value of the reverse repurchase transactions with it under Article 179a (1) herein, and the value of the net exposure under currency forward contracts and interest rate swap agreements with this bank;

4. where the issuer is a financial institution, the restriction shall also include the value of the net exposure under currency forward contracts and interest rate swap agreements with this institution.

(2) The total value of investments of a supplementary compulsory insurance fund in financial instruments issued by companies within the same group and persons with which such companies are in close links may not exceed 10 per cent of the fund's assets. This restriction shall also include:

1. any bank deposits of the fund with banks within the group and banks which are in close links with companies within the group, the value of the reverse repurchase transactions with such banks under Article 179a (1) herein, and the value of the net exposure under currency forward contracts and interest rate swap agreements with such banks;

2. the value of the net exposure under currency forward contracts and interest rate swap agreements with financial institutions within the group and financial institutions which are in close links with companies within the group.

(3) No more than 10 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any securities referred to in letter "d" of Item 1 of Article 176 (1) herein.

(4) No more than 10 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any securities referred to in letter "e" of Item 1 of Article 176 (1) herein.

(5) No more than 15 per cent of the assets of a supplementary voluntary retirement insurance fund may be invested in securities referred to in Item 2 of Article 176 (1) herein, and no more than 5 per cent of the said assets may be invested in bonds issued by a local authority and not traded in a regulated market.

(6) No more than 10 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 3 of Article 176 (1) herein.

(7) No more than 30 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 4 of Article 176 (1) herein.

(8) No more than 25 per cent of the assets of a supplementary compulsory retirement insurance as a whole fund may be invested in bank deposits, whereas investments in bank deposits with a single bank may not exceed 5 per cent of the assets of the said fund.

(9) No more than 25 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 6 of Article 176 (1) herein.

(10) No more than 2 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 7 of Article 176 (1) herein.

(11) No more than 2 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 8 of Article 176 (1) herein.

(12) No more than 1 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 9 of Article 176 (1) herein.

(13) No more than 5 per cent of the assets of a supplementary voluntary retirement insurance fund may be invested in financial instruments referred to in Item 10 of Article 176 (1) herein, and no more than 1 per cent of the assets of the fund may be invested in special purpose investment companies performing securitisation of assets.

(14) No more than 20 per cent of the assets of a supplementary voluntary retirement insurance fund may be invested in financial instruments referred to in Item 11 of Article 176 (1) herein, and no more than 5 per cent of the assets of the fund may be invested in units in collective investment schemes managed by the same management company.

(15) No more than 1 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any financial instruments referred to in Item 12 of Article 176 (1) herein.

(16) No more than 20 per cent of the assets of a supplementary compulsory retirement insurance fund may be denominated in any currency other than Bulgarian leva and euro, except for assets the currency risk associated with which is limited through concluded hedging transactions as set out in Article 179b.

(17) No more than 5 per cent of the assets of a supplementary compulsory retirement insurance fund may be invested in any investment property referred to in Item 13 of Article 176 (1) herein.

(18) The specific requirements for and restrictions of the investments of the supplementary compulsory retirement insurance fund shall be set out in the fund's investment policy.

Prohibition to Contract and Extend Loans

Article 179. (Amended, SG No. 17/2006) A retirement insurance company may neither contract nor extend any loans on behalf and for the account of a supplementary compulsory retirement insurance fund, nor act as a guarantor of any third parties committing the assets of any such fund.

Repo Transactions and Reverse Repo Transactions

Article 179a. (New, SG No. 17/2006) (1) (Previous text of Article 179a, supplemented, SG No. 92/2017, effective 18.11.2018) Acting on behalf and for the account of a supplementary compulsory retirement insurance fund managed thereby, a retirement insurance company may conclude repurchase transactions and reverse repurchase transactions in securities covered under Article 176 (1) herein for a period not exceeding 6 months amounting to up to 5 per cent of the assets of the fund determined at the end of the business day last preceding the date of conclusion of the latest repurchase transaction or of the latest reverse repurchase transaction.

(2) (New, SG No. 92/2017, effective 18.11.2018) The conclusion of transactions under Paragraph (1) may not result in changes in the investment objectives and restrictions specified in the investment policy of the respective supplementary compulsory retirement insurance fund.

(3) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company can conclude transactions under Paragraph (1) only where this possibility is envisaged in the investment policy of the supplementary compulsory retirement insurance fund and where the counterparties to such transactions are a bank or an investment firm with own funds of not less than BGN 1,500,000, authorised to conduct business in accordance with the legislation of a EU Member State or subject to supervision by a competent authority of another state party to the Agreement on the Organisation for Economic Co-operation and Development.

Transactions for Reduction of Investment Risk

Article 179b. (New, SG No. 17/2006) (1) For the purpose of reducing the investment risk associated with the assets of the pension funds, a retirement insurance company may conclude transactions which provide for deferral of the fulfilment of the obligations thereunder until a specified future date or within a stated time period.

(2) The following shall qualify as transactions under Paragraph 1:

1. (amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) transactions in futures traded in regulated markets in EU Member States or official stock exchange markets, or in other organised markets in third countries, functioning regularly, recognised and publicly available, and specified in an ordinance adopted by the Commission;

2. (amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) transactions in options:

a) traded in regulated markets in EU Member States or official stock exchange markets, or in other organised markets in third countries, functioning regularly, recognised and publicly available, and specified in an ordinance adopted by the Commission;

b) traded over the counter, where the counterparty to the transaction is a bank subject to supervision by a competent authority of a EU Member State or of another country specified in an ordinance adopted by the Commission;

3. the forward exchange rate contracts;

4. the interest-rate swaps.

(3) The Commission shall issue an ordinance establishing the terms for conclusion of transactions under Paragraph 1, as well as the requirements and restrictions applicable to the said transactions.

Risk Management

Article 179c. (New, SG No. 22/2015, effective 24.03.2015) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The managing body of the retirement insurance company shall endorse internal rules on the procedures of monitoring, measuring and managing the risk related to the investments of any supplementary compulsory retirement insurance fund and shall submit them to the Commission within 7 days of their adoption, amendment or supplementation, as the case may be.

(2) The internal rules referred to in Paragraph (1) must ensure reliable risk management in accordance with the nature, scale and complexity of the fund's investments.

(3) In risk management, the retirement insurance company shall apply adequate risk assessment methods and take into account the goals set in the investment policy of the supplementary compulsory retirement insurance fund.

(4) (Amended, SG No. 92/2017, effective 18.11.2018) In assessing the risk related to the investments of any supplementary compulsory retirement insurance fund and in making investment decisions, the retirement insurance company shall not rely solely and automatically on the credit ratings awarded by credit rating agencies under Article 3 (1) (c) of Regulation (EC) No 1060/2009. In verifying compliance with this requirement, the Commission shall assess the use of references to credit ratings in the rules referred to in Paragraph (1) and in the investment policy.

Disclosure of Information

Article 180. (Amended, SG No. 67/2003, SG No. 17/2006) (1) (Amended, SG No. 61/2015, effective 1.01.2016, SG No. 92/2017) A retirement insurance company shall be under the obligation to post on its website, on a quarterly basis, by the 10th day of the month following the quarter concerned, information regarding the volume and structure of the investments disaggregated by types of assets and issuers of financial instruments for each supplementary compulsory retirement insurance fund managed by the said company. The said information shall be prepared using data current at the end of the preceding quarter.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) By an ordinance of the Commission, the requirements for the following shall be approved:

1. (supplemented, SG No. 61/2015, effective 1.01.2016) the form and contents of the information referred to in Paragraph (1);
2. (amended, SG No. 61/2015, effective 1.01.2016, SG No. 92/2017) the identification and public disclosure by the retirement insurance company of the profitability achieved and the degree of investment risk in the management of a supplementary compulsory retirement insurance fund.

Breach of Requirements and Violation of Restrictions for Objective Reasons

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 180a. (New, SG No. 67/2003, amended, SG No. 17/2006, SG No. 92/2017, effective 18.11.2018) (1) A retirement insurance company shall be obliged to monitor on a daily basis the compliance with the requirements of Articles 176 and 179b herein and the investment policy of the supplementary compulsory retirement insurance fund managed thereby. In the event that acquired assets cease to meet the stated requirements for objective reasons, the retirement insurance company shall notify the Commission within 14 days from the date of such change and bring the assets of the fund into conformity compliance with these requirements within 6 months from the date of the change.

(2) A retirement insurance company shall be obligated to monitor on a daily basis the compliance with the restrictions specified in Article 177a, Article 178, Article 179b (1) herein and the investment policy of the supplementary compulsory retirement insurance fund and to bring the assets of the fund into conformity with such restrictions within 6 months of the date on which the relevant restriction is exceeded, where the said exceeding is due to:

1. a change in the market price or in the price used to make a subsequent valuation of an asset of the fund;
2. a change in the total value of the assets of the fund;
3. acquisition by the fund of rights associated to shares in its capacity of a shareholder of an issuer;
4. reduction of the capital of a specific issuer;
5. reduction of the number of shares and/or units in a collective investment scheme;
6. other objective reasons justified in writing and documented by the company.

(3) In the cases covered under Paragraph (2), until the assets of the supplementary compulsory retirement fund are brought into conformity with the statutory requirements, the retirement insurance company may not acquire for the account of the fund assets in respect of which the restriction has been violated.

(4) Where, in the case of transformation of a supplementary compulsory retirement insurance fund, the restrictions specified in Article 177a, Article 178 and/or Article 179a herein are violated by the newly established or receiving fund, the assets of the latter shall be brought into conformity with these restrictions within six months of the date of registration of the merger by acquisition or merger by the formation in the registry of the district court in the seat of the fund.

Non-application of Restrictions

Article 180b. (New, SG No. 92/2017, effective 18.11.2018) Subject to the principles set out in Article 175, a retirement insurance company which received an authorisation to manage a supplementary compulsory retirement insurance fund may not apply the restrictions set out in Article 177a, Article 178 and Article 179a by the expiry of 6 months of the month in which the authorisation was received.

Yield from Investment Properties

Article 180c. (New, SG No. 92/2017, effective 18.11.2018) (1) After the expiry of five years from the acquisition of each investment property owned by the supplementary compulsory retirement insurance fund, the retirement insurance company shall be obliged at the end of each quarter to compare the achieved yield from this property for the previous 60-month period with the achieved yield from the management of the fund for the same period.

(2) Where the yield from the estate is lower than 50 per cent of the yield from the management of the fund for the respective period, the retirement insurance company shall be obliged, within up to 24 months of establishing this, to sell the investment property for a price not lower than the market price. The occurrence of changes in the yield from the investment property and/or the yield from the management of the fund during the 24-month period shall not release the company from the above obligation.

(3) The procedure and manner for calculating and comparing the yield under Paragraphs (1) and (2) shall be established by an ordinance of the Commission.

Asset Valuation

Article 181. (Amended, SG No. 8/2003, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) (1) The managing body of the retirement insurance company shall adopt rules on the procedures for valuing the assets and liabilities of the company and the supplementary compulsory retirement insurance funds managed thereby and shall submit them to the Commission within 7 days of the adoption of amendments and supplements thereto.

(2) The Commission shall determine by an ordinance:

1. the minimum contents of the rules referred to in Paragraph (1);
2. the manner and procedure for valuation of the assets and liabilities of the supplementary retirement insurance funds and the retirement insurance company;
3. the obligations of the retirement insurance company in connection with the valuation of the assets and liabilities of the supplementary retirement insurance funds managed thereby and of its own assets and liabilities;
4. the manner and procedure for determining the net asset value of the fund;
5. the manner and procedure for calculation and announcement if the value of one unit in the fund;
6. the requirements for the keeping of individual accounts.

Contract with Investment Intermediary

Article 182. (Repealed, SG No. 67/2003).

Contract with Depository Banks

Article 183. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Article 184. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Chapter Fifteen

ACCOUNTING AND REPORTING

Requirements for the accounting of the retirement insurance company and the supplementary voluntary retirement insurance funds

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 185. (Amended, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) (1) The retirement insurance company shall organise and keep its accounts and prepare its annual financial statements and the annual financial statements of the supplementary compulsory retirement insurance funds managed thereby, its annual activity report and annual activity reports for each fund in compliance with the requirements of the Accountancy Act, the applicable accounting standards and the provisions of this Code and the secondary instruments for its application.

(2) The retirement insurance company shall prepare separate accounts for supervisory purposes for the company and for each supplementary compulsory retirement insurance fund managed thereby.

(3) The Commission shall determine by an ordinance the requirements for the content, the periodicity of the preparation and the time limits for presentation of the accounts for supervisory purposes.

Accounts of Supplementary Compulsory Retirement Insurance Funds

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 186. (Amended, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall keep individual accounts for each supplementary compulsory retirement insurance fund managed thereby and shall prepare separate statements for each of the said funds.

Monthly Reports

Article 186a. (New, SG No. 67/2003, supplemented, SG No. 112/2003, amended, SG No. 95/2015, effective 1.01.2016, SG No. 92/2017, effective 18.11.2018) The company shall be obligated to submit to the Commission its monthly financial statements for supervisory purposes and the monthly financial statements for supervisory purposed of the supplementary compulsory retirement insurance funds managed thereby not later than 20 days after the end of each month.

Annual Financial Statements

Article 187. (Amended, SG No. 67/2003) (1) (Amended, SG No. 95/2016) The annual financial statements of a retirement insurance company and of the pension funds managed thereby shall be audited and certified jointly by two audit entities which are registered auditors according to the Independent Financial Audit Act as designated by the General Meeting of the company.

(2) (Amended, SG No. 95/2016) The registered auditors shall be obligated to conduct an impartial audit in good faith and to respect official secrecy.

(3) (New, SG No. 92/2017, effective 18.11.2018) The registered auditors shall also carry out examinations and:

1. express an audit opinion on the fair presentation of the property and financial condition and the financial result of the retirement insurance company and of the supplementary compulsory retirement insurance funds managed thereby;

2. prepare a report confirming that the annual accounts for supervisory purposes are prepared on the basis of the audited annual financial statements of the company and of the supplementary compulsory retirement insurance funds managed thereby, are prepared in accordance with the requirements of the ordinance referred to in Article 185 (3), and the information in them is consistent in all material aspects;

3. express an audit opinion on the compliance of the management system with the requirements of this Code and the statutory instruments for its application.

(4) (New, SG No. 92/2017, effective 18.11.2018) The audited financial statements and the activity reports of the retirement insurance company and the reports on the management of the supplementary compulsory retirement insurance funds shall be adopted by the general meeting of shareholders of the company.

Selection and appointment of auditors

Article 187a. (New, SG No. 95/2016) (1) The pension insurance companies shall select the auditors under Article 187 (1) after preliminary coordination of the choice with the Financial Supervision Commission.

(2) The criteria for coordination of the choice of auditors under Paragraph 1 shall be approved by the Financial Supervision Commission in coordination with the Commission for Public Oversight over Registered Auditors.

(3) If the Financial Supervision Commission has not lodged an objection within a 14-day time limit from the date of the request for coordination, it shall be assumed that the proposal for choice of an auditor has been duly coordinated therewith.

Responsibilities of Auditors

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 188. (Amended, SG No. 67/2003, SG No. 92/2017, effective 18.11.2018) (1) The registered auditors of the retirement insurance company and the supplementary compulsory retirement insurance funds managed thereby shall inform promptly the Commission in writing of any circumstances that have come to their attention in the course of the audit and which:

1. comprise a violations of this Code and of the statutory instruments on its application;

2. affect or might affect the normal operation of the retirement insurance company and/or the supplementary compulsory retirement insurance funds managed thereby;

3. result or could result in a situation where the retirement insurance company and/or the supplementary compulsory retirement insurance funds managed thereby would not be in a position to perform their obligations;

4. cause or might cause significant damage to the retirement insurance company and/or the supplementary compulsory retirement insurance funds managed thereby;

5. result in the auditors disclaiming an opinion on the financial statements or expressing a qualified opinion;

6. are related to false or incomplete information in the statements and reports submitted by the retirement insurance company to the Commission.

(2) The registered auditors of the retirement insurance company and the supplementary compulsory retirement insurance funds managed thereby shall be obliged, upon a request in writing from the Deputy Chairperson of the Commission or from the

Commission, to provide the relevant documentation regarding the circumstances specified in Paragraph (1).

(3) Registered auditors shall not be held responsible for violation of relevant legal or contractual terms and conditions on confidentiality in the cases where they have provided information to the Deputy Chairperson of the Commission or the Commission in good faith in accordance with the procedure established by this Act.

Article 189. (Amended, SG No. 67/2003, repealed, SG No. 92/2017, effective 18.11.2018).

Obligation to Submit and Disclose the Audited Annual Financial Statements and Reports

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 190. (Amended, SG No. 8/2003, SG No. 67/2003, SG No. 112/2003, SG No. 92/2017, effective 18.11.2018) (1)

Within three months after the end of the financial year, the retirement insurance company shall submit to the Commission the audited annual financial statements accompanied by the audit reports, the reports for supervisory purposed and the annual activity reports of the company and the annual reports on the management of the supplementary compulsory retirement insurance funds.

(2) The retirement insurance company shall simultaneously publish on its website by 30-th of June of the year following the reporting year:

1. the audited annual financial statements of the company and of the supplementary compulsory retirement insurance funds managed thereby, as adopted by the general meeting of shareholders, accompanied by the audit reports;

2. the annual activity reports of the company and the annual reports on the management of the supplementary voluntary retirement insurance funds;

3. information on the proposal of the managing body of the company on the distribution of profit or for covering a previous year's loss and the resolution of the general meeting of shareholders of the company on the allocation of profit for distribution or for covering of loss.

Chapter Sixteen

RESERVES OF RETIREMENT INSURANCE COMPANIES

(Heading amended, SG No. 92/2017)

Guarantees for Fulfilment of Obligations

Article 191. The retirement insurance company which manages an occupational and/or a universal pension fund shall guarantee by its assets the fulfilment of the obligations to the persons insured in the fund.

Reserves of Retirement Insurance Company

Article 192. (1) The retirement insurance company shall be obligated to establish general reserves according to the procedure established by the Commerce Act.

(2) (Amended, SG No. 8/2003, supplemented, SG No. 67/2003) The retirement insurance company which manages a universal pension fund shall mandatorily establish a pension reserve according to a procedure established by an ordinance of the Commission.

(3) The pension reserve shall cover the payment of pensions to persons who have lived longer than the actuarial assumptions.

(4) Retirement insurance companies may not distribute dividends to the shareholders thereof before establishment of the reserves.

Minimum Rate of Return

Article 193. (Amended, SG No. 67/2003) (1) Retirement insurance companies shall be obligated to achieve a minimum rate of return upon management of the assets of supplementary compulsory retirement insurance funds.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) The minimum rate of return shall be determined by the Commission at the end of each quarter, as a percentage, separately for universal and occupational pension funds, on the basis of the return achieved by management of the assets of all funds of the respective type for the preceding 24-month period.

(3) The minimum rate of return for the respective types of pension funds shall represent 60 per cent of the average rate of return achieved or 3 percentage points lower than the average, whichever of the two figures is smaller.

(4) (Amended, SG No. 92/2017, effective 18.11.2018) The minimum rate of return shall be declared by the Commission by the end of each month succeeding the reporting quarter.

(5) (Amended, SG No. 92/2017, effective 18.11.2018) Where a supplementary compulsory retirement insurance fund achieves a rate of return that is lower than the minimum, the retirement insurance company managing the fund shall be obligated, within ten days after the declaration of the said return, to cover the difference up to the minimum rate of return.

(6) In order to guarantee the minimum rate of return, reserves shall be established at the pension fund and at the retirement insurance company.

(7) (Supplemented, SG No. 112/2003, amended, SG No. 92/2017, effected 18.11.2018) Where the rate of return achieved by a universal or an occupational pension fund exceeds by over 40 per cent the average rate of return achieved for the respective type of pension fund or exceeds the average by 3 percentage points, whichever of the two figures is greater, the resources resulting from return above this percentage shall be set aside for a reserve by the respective fund. The value of the reserve may not exceed 1 per cent of the fund assets.

(8) (Amended, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall be obliged to establish, using its own funds, a reserve in the company for each supplementary compulsory retirement insurance fund managed thereby. Such reserve shall be restated at the end of each month and its amount may not be lower than 1 per cent and higher than 3 per cent of the net asset value of the respective fund less the amount in the reserve referred to in Paragraph (7).

(9) If the rate of return achieved by the universal and the occupational pension fund is below the guaranteed minimum, the difference shall be covered from the reserve within the fund. Where the resources in the reserve within the fund are insufficient, the retirement insurance company shall cover the deficit from the resources of the reserve under Paragraph 8.

(10) (New, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall cover from its own funds the difference up to the minimum yield in the event that the reserves referred to in Paragraphs (7) and (8) are insufficient.

(11) (Renumbered from Paragraph 10, amended, SG No. 92/2017, effective 18.11.2018) The resources of the reserves under Paragraphs (7) and (8) shall be invested in compliance with the provisions of Articles 175 to 180a and Article 180c herein.

(12) (Renumbered from Paragraph 11, SG No. 92/2017, effective 18.11.2018) Allocations for establishment of the reserve under Paragraph (8) shall be allowed as expense of the retirement insurance company and shall not be taxable according to the procedure established by the Corporate Income Tax Act.

(13) (Renumbered from Paragraph 12, supplemented, SG No. 92/2017, effective 18.11.2018) The manner and procedure for determining the minimum rate of return, for covering the difference up to the minimum rate of return and for establishment and use of the reserves referred to in Paragraphs (7) and (8), as well as for releasing of resources from the reserve referred to in Paragraph (8) shall be regulated by an ordinance of the Commission.

Chapter Seventeen

(Repealed, SG No. 67/2003)

TRANSFORMATION, DISSOLUTION, LIQUIDATION AND BANKRUPTCY OF SUPPLEMENTARY COMPULSORY RETIREMENT INSURANCE FUNDS

Transformation of Pension Fund

Article 194. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Bankruptcy Proceedings

Article 195. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Rights of Trustee in Bankruptcy

Article 196. (Repealed, SG No. 67/2003).

Rights of Insured Person

Article 197. (Repealed, SG No. 67/2003).

Obligations of Deputy Chairperson in Charge of Social Insurance

Supervision Department of Financial Supervision Commission

Article 198. (Repealed, SG No. 67/2003).

Time Limit for Exercise of Rights of Insured Persons

Article 199. (Repealed, SG No. 67/2003).

Applicability of Supplementary Voluntary Retirement Insurance Act

Article 200. (Repealed, SG No. 67/2003).

Chapter Eighteen FEES AND DEDUCTIONS

Mandatory Fees

Article 201. (Amended, SG No. 8/2003, SG No. 67/2003, SG No. 61/2015, effective 1.01.2016) (1) Fees and deductions in favour of retirement insurance companies for performing supplementary compulsory retirement insurance activities and managing pension funds are hereby introduced as follows:

1. a deduction from each social insurance contribution amounting to no more than:

a) 4.5 per cent for 2016;

b) 4.25 per cent for 2017;

в) 4 per cent for 2018;

г) 3.75 per cent from 2019 onwards.

2. an investment fee calculated based on the amount of the fund's net assets depending on the period during which such net assets have been managed by the retirement insurance company, as follows:

a) up to 0.9 per cent per annum for 2016;

b) up to 0.85 per cent per annum for 2017;

в) up to 0.8 per cent per annum for 2018;

г) up to 0.75 per cent per annum from 2019 onwards.

(2) The fee under Item 2 of Paragraph (1) shall be deducted according to a procedure and in a manner established in an ordinance by the Commission.

Additional Fee

Article 202. (Amended, SG No. 67/2003, supplemented, SG No. 19/2010, amended, SG No. 60/2011, effective 5.08.2011, SG No. 61/2015, effective 1.01.2016) Retirement insurance companies may charge an additional fee not exceeding BGN 10 on transferring funds accrued on an individual account in a pension scheme according to Item 2 of Article 343a (1) or Article 343f(1). Such fee shall be paid by the insured person.

Fees Established by Statute

Article 203. (1) (Previous text of Article 203, SG No. 92/2017) Retirement insurance companies may not charge any fees and deductions other than those specified in this Chapter.

(2) (New, SG No. 92/2017) All costs of managing the supplementary compulsory retirement insurance funds shall be borne by the retirement insurance company managing such funds, excluding the costs of acquiring and selling assets.

Chapter Nineteen

(Repealed, SG No. 67/2003)

ADMINISTRATIVE PENALTY LIABILITY

Section I

(Repealed, SG No. 67/2003)

Liability for Violations of Provisions of Public Social Insurance Legislation

Grounds

Article 204. (Amended, SG No. 64/2000, repealed, SG No. 67/2003).

Ascertainment of Violations

Article 205. (Repealed, SG No. 67/2003).

Section II

(Repealed, SG No. 67/2003)

Liability for Violations of Provisions of Supplementary Compulsory Retirement Insurance Legislation

Liability for Operation without Pension Licence

Article 206. (Repealed, SG No. 67/2003).

Liability for Violations and Failure to Comply with Prescriptions

Article 206a. (New, SG No. 8/2003, repealed, SG No. 67/2003).

Ascertainment of Violations

Article 207. (Amended, SG No. 8/2003, repealed, SG No. 67/2003).

Application of Coercive Administrative Measures

Article 208. (New, SG No. 8/2003, repealed, SG No. 67/2003).

TITLE THREE

(New, SG No. 67/2003)

SUPPLEMENTARY VOLUNTARY RETIREMENT INSURANCE

Chapter Twenty

(New, SG No. 67/2003)

GENERAL PROVISIONS

Principles

Article 209. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance shall be implemented in a supplementary voluntary retirement insurance and in a fund for supplementary voluntary retirement insurance under occupational schemes, hereinafter referred to as "supplementary voluntary retirement insurance funds", in observance of the following principles:

1. voluntary participation;
2. separate legal personality of the retirement insurance company and the supplementary voluntary retirement insurance funds;
3. transparency, separation and exclusivity of operation;
4. authorization system and State regulation;
5. mandatory periodic reporting and disclosure of information;
6. fair competition among retirement insurance companies;

(2) (Amended, SG No. 56/2006) Social insurance in the supplementary voluntary retirement insurance funds shall be carried out on a fully-funded principle on the basis of social insurance contributions fixed in advance.

(3) (Supplemented, SG No. 17/2006, amended, SG No. 56/2006) The resources of a supplementary voluntary retirement insurance funds shall be managed by the retirement insurance company exercising the care of responsible merchantship and observing the principles of reliability, liquidity, profitability and diversification, in the best interest of the insured persons.

Insured Persons

Article 210. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) Every natural person, who has attained the age of 16 years, may voluntarily insure himself or herself or be insured in supplementary voluntary retirement insurance funds under the terms and according to the procedure established by this Title.

(2) (Supplemented, SG No. 56/2006) Supplementary voluntary retirement insurance shall be personal. Each person insured at a supplementary voluntary retirement insurance fund and a fund for supplementary voluntary retirement insurance under occupational schemes shall have an individual social insurance number and an individual account.

Participation in Supplementary Voluntary Retirement Insurance Funds

(Heading amended, SG No. 92/2017)

Article 211. (New, SG No. 67/2003, amended, SG No. 56/2006, SG No. 92/2017) (1) Participation in a supplementary voluntary retirement insurance fund shall commence as from the date of conclusion of a social insurance contract for social insurance through personal contributions, respectively from the date on which the retirement insurance company received the written consent of a person in whose favour a social insurance contract with contributions by persons referred in Items 2 – 4 of Article 230 (3) herein.

(2) When funds are transferred from one supplementary voluntary retirement insurance fund into another, the social security contract or the additional agreement between the insured person and the respective retirement insurance company shall enter into force in the date on which the funds in the individual account are transferred.

(3) Participation in a fund for supplementary voluntary retirement insurance under occupational schemes shall commence on the date when the person joins the occupational scheme.

Entitlement upon Social Insurance at Supplementary Voluntary Retirement Insurance Funds

(Heading amended, SG No. 56/2006)

Article 212. (New, SG No. 67/2003) (1) (Previous text of Article 212, SG No. 56/2006) Social insurance at a supplementary voluntary retirement insurance fund shall give rise to entitlement to:

1. a personal old-age or invalidity pension;
2. a survivor pension: upon death of the insured person or of a person who receives a pension under this Title;
3. a lump-sum payment or payment by instalments of the resources accrued on the individual account;
4. a lump-sum payment or payment by instalments of resources to the survivors of a deceased insured person or of a pensioner.

(2) (New, SG No. 56/2006) Social insurance under occupational pension schemes of social insurance contributor enterprises established according to the legislation of the Republic of Bulgaria shall entitle the insured person to:

1. a fixed-period old-age pension;
2. a lump-sum payment or payment by instalments of the resources accrued on the individual account;
3. a lump-sum payment or payment by instalments of resources to the survivors of a deceased insured person or of a pensioner.

Reserves of Retirement Insurance Company

Article 213. (New, SG No. 67/2003) (1) The retirement insurance company shall be obligated to establish general reserves according to the procedure established by the Commerce Act and pension reserves.

(2) (Amended, SG No. 92/2017) A retirement insurance company, which manages a supplementary voluntary retirement insurance fund and pays lifelong pensions, shall mandatorily establish a pension reserve according to a procedure established by an ordinance of the Commission.

(3) The pension reserve under Paragraph 2 shall cover the payment of pensions to persons who have lived longer than the actuarial assumptions.

(4) Retirement insurance companies may not distribute dividends to the shareholders thereof before establishment of the reserves.

(5) (New, SG No. 92/2017) In case of bankruptcy, the assets for covering the pension reserve shall not be included in the bankruptcy estate of the retirement insurance company.

Technical Provisions

Article 213a. (New, SG No. 56/2006) (1) To ensure the accurate fulfilment of obligations under pension contracts, any retirement insurance company which manages a fund for supplementary voluntary retirement insurance under occupational schemes:

1. hold at all times an amount of assets corresponding to the financial commitments;

2. mandatorily establish technical provisions, where providing cover against biometrical risks, guaranteeing a minimum level of return or amount of the pensions.
- (2) The assets for cover of the technical provisions referred to in Item 2 of Paragraph 1 shall be formed and maintained at the fund for supplementary voluntary retirement insurance under occupational schemes separately from the rest of the assets of the fund, and separate accounts shall be kept on this.
- (3) The types of provisions, the procedure and methods for the formation thereof, as well as the maximum technical interest rate shall be determined by an ordinance of the Commission.
- (4) The calculation of technical provisions shall take place every year and shall be certified by the responsible actuary of the retirement insurance company. The actuarial methods used and the procedure and manner for calculation of the provisions shall be determined by the ordinance referred to in Paragraph 3.
- (5) The calculation of the technical provision shall be executed so that:
 1. the minimum amount of the technical provisions shall be determined by reliable and fair actuarial calculations and assumptions, taking account of all commitments arising from pension contracts concluded; the minimum amount must be sufficient for payment of all pensions granted;
 2. the economic and actuarial assumptions chosen for the valuation of the liabilities shall be chosen prudently, taking account of an appropriate margin for adverse deviation;
 3. the technical interest rate shall be determined in accordance with the requirements of the ordinance referred to in Paragraph 3, by taking into account:
 - (a) the yield of the assets corresponding to the technical provisions, and the future investment returns, and/or
 - (b) the market yields of rated debt securities, issued or guaranteed by the government of a Member State;
 4. the biometric tables used for the calculation of technical provisions shall be determined with regard to the main characteristics of the group of persons whereto pensions have been granted under occupational schemes with cover for biometrical risk, as well as the expected changes in the risks;
 5. the method and the actuarial assumptions upon calculation of technical provisions shall remain constant, except in the cases of changes of legal, demographic or economic circumstances underlying the assumptions.

Funding of Technical Provisions

- Article 213b.** (New, SG No. 56/2006) (1) The retirement insurance company shall have at all times sufficient and appropriate assets to cover the technical provisions provided for in the ordinance referred to in Article 213a (3) herein in connection with all commitments with risks covered.
- (2) (Amended, SG No. 92/2017) The technical provisions must be fully funded at all times in respect of the total range of occupational schemes managed. Upon breach of this obligation, the Commission shall apply the measure referred to in Item 17 of Article 344 (2) herein.

Chapter Twenty-One (New, SG No. 67/2003)

SUPPLEMENTARY VOLUNTARY RETIREMENT INSURANCE FUNDS

Definition

Article 214. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance funds shall be incorporated and managed by licensed retirement insurance companies.

(2) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance funds shall be incorporated by resolution of the General Meeting of the retirement insurance company.

(3) (Amended, SG No. 56/2006) One retirement insurance company may incorporate and manage one supplementary voluntary retirement insurance fund and one fund for supplementary retirement insurance under occupational schemes.

(4) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance funds shall be managed and represented by the retirement insurance company.

(5) (Amended, SG No. 56/2006) The retirement insurance company and the supplementary voluntary retirement insurance funds shall have separate legal personality.

(6) Supplementary voluntary retirement insurance funds shall be established at will.

(7) (Amended, SG No. 56/2006) The registered office and the address of the place of management of the supplementary voluntary retirement insurance funds shall be mandatorily coincident with the registered office and the address of the place of management of the retirement insurance company.

Liability of Retirement Insurance Company

Article 215. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006, supplemented, SG No. 92/2017) The retirement insurance company shall be liable to the insured persons and pensioners by the property of the company for any losses which have occurred as a result of fulfilment in bad faith of the obligations of the company regarding the management and representation of the supplementary voluntary retirement insurance funds.

(2) The retirement insurance company shall guarantee by its assets the fulfilment of the obligations thereof to the insured persons and the pensioners.

(3) (Amended, SG No. 56/2006) Supplementary voluntary retirement insurance funds shall not be liable for any obligations and for any losses of the retirement insurance company which manages and represents the said fund.

Business Name

Article 216. (New, SG No. 67/2003) (1) The business name of the supplementary voluntary retirement insurance fund shall mandatorily include a collocation of the business name of the retirement insurance company and the words "retirement", "voluntary" and "fund" or any derivatives of the said words.

(2) (New, SG No. 56/2006) In addition to the content under Paragraph 1, the business name of the fund for supplementary voluntary retirement insurance under occupational schemes shall also include the words "occupational schemes".

(3) (Renumbered from Paragraph 2 and amended, SG No. 56/2006) Only funds registered in accordance with this Code may use in the business names thereof a collocation of the words referred to in Paragraphs (1) and (2) or any words of equivalent meaning in the Bulgarian or any foreign language.

Legal Entity Identifier

Article 216a. (New, SG No. 92/2017) (1) Supplementary voluntary retirement insurance funds under occupational schemes and retirement insurance companies managing such schemes shall be obliged to have legal entity identifiers.

(2) The retirement insurance companies and the funds referred to in Paragraph (1) shall be obliged to obtain legal entity

identifiers within three months of the registration of the fund in the register referred to in Article 221. The costs relating to the issuance and maintaining of the registration of the identifiers shall be borne by the retirement insurance companies.

(3) Retirement insurance companies shall be obliged to notify the Commission of their identifiers and of the identifiers of the supplementary voluntary retirement insurance funds under occupational schemes within 7 days of the issuance of the respective codes.

(4) When information about the activity of the retirement insurance companies and funds referred to in Paragraph (1) is provided to the European Insurance and Occupational Pensions Authority or by the Commission, the identifiers of these companies and funds shall also be stated.

Prohibition of Acquisition by Prescription

Article 217. (New, SG No. 67/2003, amended, SG No. 56/2006) The assets of supplementary voluntary retirement insurance funds may not be acquired by prescription.

Supplementary Voluntary Retirement Insurance Funds Management Authorization

Article 218. (New, SG No. 67/2003, amended, SG No. 34/2006, SG No. 56/2006) (1) (Supplemented, SG No. 92/2017, effective 18.11.2018) A management authorisation for a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes shall be issued by the Commission on a proposal by the Deputy Chairperson of the Commission.

(2) (Supplemented, SG No. 22/2015, effective 24.03.2015, amended, SG No. 92/2017, effective 18.11.2018) Any licensed retirement insurance company wishing to obtain an authorisation under Paragraph (1) shall submit a written request to the Commission completed in a standard form endorsed by the Deputy Chairperson of the Commission, enclosing therewith:

1. the resolution of the general meeting of shareholders of the retirement insurance company on incorporation of a supplementary voluntary retirement insurance fund or a fund for supplementary voluntary retirement insurance under occupational schemes;
2. the rules of organisation and operation of the fund and minutes containing the resolution for their adopting;
3. actuarial assumptions concerning the pension schemes offered and the names and personal data of the actuary;
4. standard forms of social insurance and pension contracts;
5. the preliminary contract with a custodian bank and the declarations of compliance with the requirements of Article 121e (9), Article 123b (2) and Article 123c (2) completed in a standard form endorsed by the Deputy Chairperson of the Commission;
6. the financial statement of the company as at the last day of the preceding month;
7. the documents certifying the compliance of the information system of the company with the specific features and the volume of the activity related to the management of the established fund;
8. information about the staff available in the company;
9. documentary proof of payment of a fee for examination of documents;
10. the fund's investment policy;
11. the internal rules on the procedures of monitoring, measuring and managing the risk related to the fund's investments, as endorsed pursuant to Article 179c (1) herein.

(3) (Amended, SG No. 92/2017, effective 18.11.2018) The Deputy Chairperson of the Commission may require that inconsistencies in the documents under referred to in Paragraph (2) be corrected, supplemented or removed, and that other data or additional information be provided, setting a deadline for such submission no longer than one month.

(4) (New, SG No. 92/2017, effective 18.11.2018) Upon receipt of the authorisation under Paragraph (1), the company shall submit to the Commission the documents specified in Paragraph (2) within 14 days of their change, unless another procedure is provided for approval or notification.

(5) (New, SG No. 92/2017, effective 18.11.2018) The Commission shall determine by the ordinance referred to in Article 122a (5) herein the requirements to the documents specified in Items 3, 7, 8 and 11 of Paragraph (2).

Time Limit for Consideration of Request for Management Authorization for Supplementary Voluntary Retirement Insurance Fund or Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading amended, SG No. 56/2006)

Article 219. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall render a decision within one month after the filing of the request specified in Article 218 (2) herein, and in the cases under Article 218 (3) herein – within one month of the provision of the respective documents, data or information. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission. The applicant shall be notified in writing within seven days of the decision made.

(2) (Repealed, SG No. 92/2017, effective 18.11.2018).

(3) (Repealed, SG No. 92/2017, effective 18.11.2018).

Refusal to Issue Supplementary Voluntary Retirement Insurance Fund Management Authorization or Management Authorization for Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading supplemented, SG No. 56/2006)

Article 220. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall refuse to give an authorisation where:

1. (amended, SG No. 92/2017, effective 18.11.2018) within the limit allowed specified in Article 219 (1) herein, the additional documents or information have not been submitted or the non-conformities have not been cured;

2. (supplemented, SG No. 92/2017, effective 18.11.2018) the requirements of this Code and of the statutory instruments on its application are not complied with;

3. the retirement insurance company lacks sufficient financial, human and information resources;

4. (new, SG No. 92/2017, effective 18.11.2018) an effective coercive administrative measure under Item 1, 5, 11, 12 or 17 of Article 344 (2) has been enforced on the company.

(2) (Supplemented, SG No. 56/2006) In case of refusal, the retirement insurance company may not reapply for a supplementary voluntary retirement insurance fund management authorization or a management authorization for a fund for supplementary voluntary retirement insurance under occupational schemes earlier than six months after the date of the refusal.

Recording by Court

Article 221. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006, amended, SG No. 92/2017, effective 18.11.2018) The district court exercising jurisdiction over the registered office of the supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes shall record in its register the fund if the retirement insurance company has submitted an application for recording within six months after receipt of the authorisation by Commission.

(2) The application for recording by the court shall state:

1. the business name, registered office and address of the place of management of the retirement insurance company;
2. the business name of the pension fund;
3. the forenames, patronymics and surnames and the Standard Public Registry Personal Numbers of the persons who manage and represent the retirement insurance company.

(3) The following documents shall be enclosed with the application under Paragraph 2:

1. a certified copy of the licence to carry out supplementary retirement insurance activity held by the retirement insurance company;
2. the articles of association of the retirement insurance company;
3. (amended, SG No. 34/2006) a current certificate of entry of the retirement insurance company in the Commercial Register;
4. (supplemented, SG No. 56/2006) the resolution of the General Meeting of the retirement insurance company on incorporation of a supplementary voluntary retirement insurance fund or a fund for supplementary voluntary retirement insurance under occupational schemes;
5. (supplemented, SG No. 56/2006) the rules of organization and operation of the supplementary voluntary retirement insurance fund; or of the fund for supplementary voluntary retirement insurance under occupational schemes;
6. (supplemented, SG No. 56/2006, amended, SG No. 92/2017, effective 18.11.2018) the decision of the Commission regarding the management of the supplementary voluntary retirement insurance fund or the fund for supplementary voluntary retirement insurance under occupational schemes.

(4) (Supplemented, SG No. 56/2006) The business name of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes; the business name, registered office and address of the place of management of the retirement insurance company which has incorporated the fund; the manner of representation of the retirement insurance company shall be recorded in the register of the district court.

(5) (Supplemented, SG No. 56/2006) The existence of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes as a legal person shall commence as from the date of recording in the court register.

Time Limit for Pronouncement by Court

Article 222. (New, SG No. 67/2003, supplemented, SG No. 56/2006) The court shall consider the application for recording of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes within 14 days after the date of submission of the said application.

Submission of Transcript of Judgment of Court

Article 223. (New, SG No. 67/2003, supplemented, SG No. 56/2006) The retirement insurance company shall be obligated to submit to the Commission a certified transcript of the judgment of court on recording of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes within seven days after receipt of the said judgment.

Responsibility for Recording Costs

Article 224. (New, SG No. 67/2003, supplemented, SG No. 56/2006) All costs incurred in connection with the incorporation, the obtaining of a management authorization and the recording of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes shall be for the account of the

retirement insurance company.

Revocation of Fund Management Authorization

Article 225. (1) (Previous text of Article 225, supplemented, SG No. 56/2006, amended, SG No. 92/2017, effective 18.11.2018) The Commission shall revoke a supplementary voluntary retirement insurance fund management authorisation or a management authorisation for a fund for supplementary voluntary retirement insurance under occupational schemes upon:

1. ascertainment that the documents which served as grounds for the issuance of the authorization contain untrue data;
2. (supplemented, SG No. 56/2006) failure to submit an application for recording at the court within six months after receipt of the supplementary voluntary retirement insurance fund management authorization or of the management authorization for a fund for supplementary voluntary retirement insurance under occupational schemes;
3. transformation of a retirement insurance company whereby the management of the fund is transferred to another retirement insurance company;
4. (supplemented, SG No. 56/2006) dissolution of the fund due to merger by acquisition or merger by the formation of another supplementary voluntary retirement insurance fund or a fund for supplementary voluntary retirement insurance under occupational schemes;
5. existence of a real and imminent jeopardy to the interests of the insured persons;
6. revocation of the pension licence of the retirement insurance company managing the fund.

(2) (New, SG No. 92/2017, effective 18.11.2018) On a proposal by the Deputy Chairperson of the Commission, the Commission may revoke the management authorisation for a supplementary voluntary retirement insurance fund or for a fund for supplementary voluntary retirement insurance under occupational schemes in the event of gross violation or systematic violations of this Code and the statutory instruments on its application in the course of the fund's management.

(3) (New, SG No. 56/2006, renumbered from Paragraph 2, amended, SG No. 92/2017, effective 18.11.2018) The Commission may revoke the management authorisation for a fund for supplementary voluntary retirement insurance under occupational schemes upon systematic violations of the applicable labour and social legislation, the statutory requirements related to the investment activity and the disclosure of information.

Obligations of Retirement Insurance Company after Revocation of

Supplementary Voluntary Retirement Insurance Fund Management Authorization or of Management Authorization for Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading supplemented, SG No. 56/2006)

Article 226. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) After revocation of a supplementary voluntary retirement insurance fund management authorization or of a management authorization for a fund for supplementary voluntary retirement insurance under occupational schemes, the retirement insurance company may not conclude new contracts or offer new conditions for supplementary voluntary retirement insurance, nor modify the said conditions, including the time limit and the amount of contributions under social insurance contracts as concluded.

(2) The revocation of the authorization shall not exempt the retirement insurance company from the obligations thereof under concluded contracts.

Obligation of the Commission after Revocation of the Supplementary Voluntary

Retirement Insurance Fund Management Authorisation or of Management Authorisation for Fund for

Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading supplemented, SG No. 56/2006, amended, SG No. 92/2017)

Article 227. (New, SG No. 67/2003, supplemented, SG No. 56/2006, amended, SG No. 92/2017) The Commission shall transmit a communication on the revocation of the supplementary voluntary retirement insurance fund management authorisation or of the management authorisation for the fund for supplementary voluntary retirement insurance under occupational schemes to the court which has effected the recording, shall cause promulgation of the communication in the State Gazette and shall insert the said communication in at least two national daily newspapers.

Rules of Organization and Operation of Supplementary Voluntary

Retirement Insurance Fund and of Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading supplemented, SG No. 56/2006)

Article 228. (New, SG No. 67/2003) (1) (Amended and supplemented, SG No. 56/2006) The rules of organization and operation of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes shall be adopted by the managing bodies of the retirement insurance company.

(2) (Amended, SG No. 56/2006) The rules of organization and operation of the supplementary voluntary retirement insurance fund must state:

1. the business name of the fund;
2. the business name, registered office, and address of the place of management of the retirement insurance company which manages the fund;
3. (supplemented, SG No. 92/2017, effective 1.04.2018) the conditions for supplementary voluntary retirement insurance in the fund;
4. (supplemented, SG No. 92/2017, effective 1.04.2018) the terms and procedure for conclusion of social insurance or pension contracts and contracts for payment by instalments, the procedure for amending and supplementing such contracts, and the terms for their termination;
5. the types of pension schemes and the description thereof;
6. the procedure for raising social insurance contributions;
7. the persons who are entitled to a survivor pension;
8. the terms and procedure for keeping individual accounts and for provision of account statements to the insured person;
9. (amended, SG No. 17/2006, SG No. 92/2017, effective 1.04.2018) the main goals and objectives of the fund's investment policy;
10. (new, SG No. 17/2006, repealed, SG No. 92/2017, effective 1.04.2018);
11. (renumbered from Item 10, SG No. 17/2006) the amount of fees and deductions charged by the retirement insurance company;
12. (renumbered from Item 11, SG No. 17/2006) the terms, procedure and time limits for payment of pensions and for making lump-sum and deferred payments;
13. (renumbered from Item 12, SG No. 17/2006, amended, SG No. 92/2017, effective 1.04.2018) the terms, procedure and time limits for transfer of funds accrued on the individual account;
14. (renumbered from Item 13, SG No. 17/2006) the terms and procedure for amending and supplementing the Rules;
15. (renumbered from Item 14, SG No. 17/2006) an express mention of the manner and procedure for notices and

communications related to the operation of the pension fund;

16. (renumbered from Item 15, SG No. 17/2006) the methods and intervals of valuation of the assets of the fund;

17. (renumbered from Item 16, SG No. 17/2006, amended, SG No. 92/2017, effective 1.04.2018) the rights and obligations of the retirement insurance company, of the persons under Article 123d herein, of the insured person, the pensioners and their survivors, and the rights and obligations of employers and other social insurance contributors;

18. (new, SG No. 92/2017, effective 1.04.2018) the dates of adopting the rules and of the subsequent amendments and supplements thereto, and data regarding the Commission decisions whereby the rules, amendments and supplements have been approved.

(3) (New, SG No. 56/2006) The rules of organization and operation of a fund for supplementary voluntary retirement insurance under occupational schemes shall state:

1. (amended, SG No. 92/2017, effective 1.04.2018) the information referred to in Items 1, 2, 4, 6, 8, 9, 12 – 15 and 18 of Paragraph (2) herein;

2. the procedure and time limits for payment of pensions and of the lump-sum payments or payments by instalments;

3. the rights and obligations of the retirement insurance company, the social insurance contributors and the insured persons.

Rules of Supplementary Voluntary Retirement Insurance Funds, How Amended and Supplemented

(Heading amended, SG No. 56/2006)

Article 229. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006, supplemented, SG No. 92/2017, effective 18.11.2018) Any clauses amending and supplementing the Rules under Article 228 (2) and (3) herein shall be approved by the Commission on a motion by the Deputy Chairperson of the Commission.

(2) (New, SG No. 92/2017, effective 18.11.2018) For the approval of amendments to the Rules, the retirement insurance company shall file with the Commission a request, enclosing therewith:

1. the resolution of the management body to adopt the changes, which or an annex to which details the amendments and supplements in the specific texts of the Rules;

2. a copy of the rules of organisation and operation of the respective fund including the amendments thereto, certified by the person or persons representing the company; after each amendment the date on which it was adopted shall be stated;

3. standard forms of social insurance and pension contracts and contracts for payment by instalments, as well as of the other internal documents of the company, where the amendments to the Rules make it necessary to amend such standard forms.

(3) (New, SG No. 92/2017, effective 18.11.2018) The Deputy Chairperson of the Commission may require that inconsistencies in the documents under referred to in Paragraph (2) be corrected, supplemented or removed, and that additional information be provided, setting a deadline for such submission no longer than one month.

(4) (New, SG No. 92/2017, effective 18.11.2018) The Commission shall render a decision within one month after the filing of the request, and in the cases under Paragraph (2) – within one month of the provision of the respective documents or information. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission. The applicant shall be notified in writing within

seven days of the decision made.

(5) (Renumbered from Paragraph 2, amended and supplemented, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall notify the insured persons and the persons referred to in Article 230, Paragraph (3), Items 2 – 4 and Paragraph (4), Item 1 herein of the specific clauses amending and supplementing the rules of organisation and operation of the pension fund either in person or by means of insertion in two national daily newspapers, within one week after receipt of the authorisation from the Commission.

Documents Required for Registration of Occupational Scheme

Article 229a. (New, SG No. 56/2006) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The retirement insurance company or the non-resident institution, as the case may be, shall submit to the Commission a written request for registration of an occupational scheme, completed in a standard form endorsed by the Deputy Chairperson of the Commission, enclosing therewith:

1. an abstract transcript of the conditions of the collective bargaining agreement or, respectively, of the collective employment contract related to the occupational scheme;

2. a copy of the social insurance contract between the sponsoring undertaking and the company or the non-resident institution, as the case may be.

(2) The application referred to in Paragraph 1 shall be submitted within ten days after conclusion of the social insurance contract.

(3) The Deputy Chairperson of the Commission may require other information as well in connection with the documents covered under Paragraph 1 and may allow a time limit for submission of the said information which may not be longer than 14 days.

(4) (Amended, SG No. 92/2017, effective 18.11.2018) Upon any intervening change in the documents or circumstances covered under Paragraph (1), the company or the non-resident institution, as the case may be, shall notify the Commission within 14 days after becoming aware of the said change.

Occupational Scheme Registration

Article 229b. (New, SG No. 56/2006) (1) (Amended, SG No. 92/2017, effective 18.11.2018) Within seven days after submission of an application referred to in Article 229a (1) herein or of a notification referred to in Article 229a (4) herein, the Commission on a motion by the Deputy Chairperson of the Commission shall issue a directive on registration of the occupational scheme in a public register of occupational schemes.

(2) The Commission shall keep a public register of occupational schemes in respect of which a directive under Paragraph 1 has been issued. The following particulars shall be recorded in the said register:

1. business name, registered office and address of the place of management, commercial registration and standard identification code of the sponsoring undertaking or the respective particulars of the non-resident sponsoring undertaking;

2. business name, registered office and address of the place of management, commercial registration and standard identification code and number of the pension licence of the retirement insurance company or the respective particulars of the non-resident institution.

Cross-Border Activities of Retirement Insurance Company

Article 229c. (New, SG No. 56/2006) (1) (Amended, SG No. 92/2017, effective 18.11.2018) Any retirement insurance

company managing a fund for supplementary voluntary retirement insurance under occupational schemes may work on a cross-border basis, by concluding a social insurance contract with a non-resident sponsoring undertaking. The relationships between the non-resident sponsoring undertaking and the insured persons shall be regulated by the labour and social insurance legislation of the other Member State. The scheme shall be managed according to the labour and social legislation of the other Member State applicable to social insurance and within the framework of the management authorisation for a fund for supplementary voluntary retirement insurance under occupational schemes as issued by the Commission.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) Before conclusion of the contract referred to in Paragraph (1), the retirement insurance company shall notify the Commission in writing of:

1. the host Member State;
2. the business name and the address of the non-resident sponsoring undertaking in the host Member State;
3. the main characteristics of the occupational scheme which is to be managed by the company.

(3) (Amended, SG No. 92/2017, effective 18.11.2018) Within three months after receipt of a notification referred to in Paragraph (2), the Commission shall communicate the information contained in the said notification to the competent supervisory authority in the host Member State and shall notify immediately the retirement insurance company, which has submitted the notification, of the communication of the said information.

(4) (Amended, SG No. 92/2017) Should any coercive administrative measures have been applied in respect of the retirement insurance company according to the procedure established by Items 1, 5, 11, 12, 13, 16 and 17 of Article 344 (2) herein, as well as in all other cases specified by law, the information referred to in Paragraph (3) shall not be communicated to the competent supervisory authority and the retirement insurance company may not conclude a social insurance contract under Paragraph (1).

(5) (Amended, SG No. 92/2017, effective 18.11.2018) After receipt from the competent supervisory authority of the host Member State, whose labour and social legislation is applicable to the scheme, of the relevant provisions of labour and social legislation of the said State, as well as of all provisions applicable in the case, related to the investment activity and the disclosure of information, the Commission shall communicate immediately the information received from the competent supervisory authority to the retirement insurance company.

(6) (Amended, SG No. 92/2017, effective 18.11.2018) The retirement insurance company may start to manage the occupational scheme immediately after receipt of the information referred to in Paragraph (5) or, in the event of non-receipt of the said information, within two months. The company shall notify the Commission in case the said company starts to manage an occupational scheme, and shall periodically provide data on the management of the said scheme to the said Deputy Chairperson.

(7) Notwithstanding the receipt of the information referred to in Paragraph 5, upon management of an occupational scheme the retirement insurance company shall comply with the provisions of the labour and social legislation of the other Member State which are relevant to social insurance under the said schemes, as well as all applicable provisions related to the investment activity and the disclosure of information.

(8) In the case of cross-border activity, the retirement insurance company shall be obligated to inform the insured persons, the pensioners and the other beneficiaries under the occupational scheme, according to the requirements of the legislation of the host Member State.

(9) (Amended, SG No. 92/2017) The competent supervisory authority of the host Member State shall notify the Commission of any change in the applicable labour and social legislation which may affect the characteristics of the occupational scheme, insofar as it concerns the operation thereof, as well as of any change in the relevant provisions related to the investment activity and the disclosure of information which concern the scheme managed by the retirement insurance company. The Commission shall notify immediately the retirement insurance company of any such changes.

(10) The competent supervisory authority of the host Member State shall exercise supervision as to compliance with the relevant social and labour legislation and the provisions related to the investment activity and the disclosure of information upon management of an occupational scheme.

(11) (Amended, SG No. 92/2017, effective 18.11.2018) Upon detection of any breaches of the applicable legislation and the provisions referred to in Paragraph (10), the competent supervisory authority of the host Member State shall notify immediately the Commission.

(12) (Amended, SG No. 92/2017, effective 18.11.2018) Upon receipt of a notification referred to in Paragraph (11), the Commission, in consultation with the competent supervisory authority of the host Member State, shall take the measures necessary to put a stop to the breaches by the retirement insurance company.

(13) (Amended, SG No. 92/2017) In case the retirement insurance company fails to comply with the coercive administrative measures applied, or should no such measures have been applied thereto by the Deputy Chairperson of the Commission or by the Commission, the competent authority of the host Member State may, after informing the Commission, apply appropriate measures in accordance with the national legislation thereof.

(14) All authorizations referred to in Paragraph 1 shall be kept on record in a special register at the Social Insurance Department of the Commission.

(15) (Amended, SG No. 92/2017, effective 18.11.2018) The procedure and manner for provision of the data referred to in Paragraph (6) shall be determined by an ordinance of the Commission.

Management of Occupational Scheme by Non-resident Institution

Article 229d. (New, SG No. 56/2006) (1) A sponsoring undertaking may allocate the management of an occupational scheme to a non-resident institution in compliance with the labour and social legislation of the Republic of Bulgaria and the collective bargaining agreement or collective employment contract concluded.

(2) (Amended, SG No. 92/2017) Within two months after receipt of the information covered under Items 1 to 3 of Article 229c (2) herein from the competent supervisory authority of the home Member State, the Commission shall communicate to the said authority, in writing, all provisions of the labour and social legislation of the Republic of Bulgaria relevant to social insurance under an occupational scheme, as well as all provisions applicable in the case, related to the investment activity and the disclosure of information. The shall notify the competent supervisory authority of the home Member State of any change in Bulgarian labour and social legislation, as well as of any change in the relevant provisions related to the investment activity and the disclosure of information, which concern the scheme managed by the non-resident institution.

(3) (Amended, SG No. 92/2017) The Deputy Chairperson of the Commission and the Commission shall exercise supervision as to compliance with Bulgarian social and labour legislation and the applicable provisions related to the investment activity and the disclosure of information by the non-resident institution. In case of any detected breach, the Commission shall notify immediately the competent supervisory authority of the home Member State and shall coordinate the measures necessary to put a stop to the breach by the said institution as proposed by the competent supervisory authority.

(4) (Amended and supplemented, SG No. 92/2017) If, despite the measures applied by the competent supervisory authority of the home Member State or because appropriate measures are lacking in the said home Member State, the non-resident institution persists in breaching the provisions referred to in Paragraph (1), the Deputy Chairperson of the Commission or the Commission, as appropriate, may, after informing the competent supervisory authority:

1. apply:

(a) coercive administrative measures;

(b) sanctions;

2. prevent the non-resident institution from managing an occupational scheme for the relevant sponsoring undertaking.

Provision of Information to the European Insurance and Occupational Pensions Authority and the European Commission

Article 229e. (New, SG No. 21/2012) The Commission shall inform the European Insurance and Occupational Pensions Authority of the following circumstances:

1. the issuance of a permit to operate a fund for supplementary voluntary retirement insurance under occupational schemes;
2. the Member States where the retirement insurance company operates in relation to the management of an occupational scheme of a foreign enterprise which is a social insurance contributor;
3. (amended, SG No. 92/2017) the imposition of measures under Items 5, 11, 12, 13, 16 and 17 of Article 344 (2) and Article 346a (2) herein.

(2) The Commission shall inform the European Insurance and Occupational Pensions Authority of the provisions of a prudential nature in the Bulgarian legislation in the field of supplementary voluntary retirement insurance under occupational schemes. The Commission shall update such information regularly, at least once per two years.

(3) The Commission shall inform the European Commission and the European Insurance and Occupational Pensions Authority in case of significant 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, and shall cooperate with these bodies to find an adequate solution.

Chapter Twenty-Two

(New, SG No. 67/2003)

SOCIAL INSURANCE CONTRIBUTIONS AND INDIVIDUAL ACCOUNT

Social Insurance Contributions

Article 230. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) Social insurance contributions shall be made for social insurance at supplementary voluntary retirement insurance funds.

(2) The contributions under Paragraph 1 shall be in cash and may be monthly, for another period, or lump-sum.

(3) (Supplemented, SG No. 56/2006) Contributions under Paragraph 1 to a supplementary voluntary retirement insurance fund may be made:

1. by natural persons: for their own account;

2. by employers who or which are social insurance contributors: for their factory and office workers;

3. by authorities which are social insurance contributors: for:

(a) civil servants;

(b) (amended, SG No. 64/2007) judges, prosecutors, investigators, state enforcement agents, recordation judges and judicial officers;

(c) (amended, SG No. 82/2006, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009) servicemen under the Republic of Bulgaria Defence and Armed Forces Act, civil servants under the Ministry of

Interior Act and civil servants under the Implementation of Penal Sanctions and Detention in Custody Act;

(d) commissioning entities which are social insurance contributors: for persons wherewith a contract commissioning management or contract has been concluded;

4. by third-party social insurance contributors, whether natural or legal persons: in favour of third parties.

(4) (New, SG No. 56/2006) Contributions to a fund for supplementary voluntary retirement insurance under occupational schemes may be made:

1. by sponsoring enterprises established according to the legislation of the Republic of Bulgaria and of any other Member State for the persons ensured thereby in an occupational scheme;

2. by natural persons insured under an occupational scheme.

(5) (Renumbered from Paragraph 4, amended and supplemented, SG No. 56/2006) Contributions by the social insurance contributors covered under Paragraph 3 shall be remitted to the individual account of the insured person and shall be kept separately from the personal contributions and from the contributions by the third-party social insurance contributor.

(6) (New, SG No. 56/2006) The contributions by the sponsoring undertaking referred to in Paragraph 4 shall be remitted to the individual account of the insured person and shall be kept separately from the personal contributions.

(7) (Renumbered from Paragraph 5 and supplemented, SG No. 56/2006) Remittance of social insurance contributions by social insurance contributors and sponsoring undertakings shall not obligate the insured person to make contributions for his or her own account.

(8) (New, SG No. 56/2006) Contributions for retirement insurance under an occupational scheme established in the Republic of Bulgaria shall continue to be made by or on behalf of a posted insured person who participates in such a scheme during the period of his or her posting in another Member State.

(9) (New, SG No. 56/2006) Where the contributions in respect of any person continue to be made to an occupation scheme in another Member State, the posted insured person and, where applicable, the sponsoring undertaking, shall be exempted from any obligation to make social insurance contributions to an occupational scheme in Bulgaria.

Prohibition of Discrimination

Article 231. (New, SG No. 67/2003) (1) (Previous text of Article 231, SG No. 56/2006) A social insurance contributor may not refuse supplementary voluntary retirement insurance to any factory and office workers thereof by reason of nationality, origin, sex, sexual orientation, race, skin colour, age, political or other persuasions, religion or belief, membership of trade-union and other public organizations and movements, marital, social and property status, and existence of mental and physical disabilities.

(2) (New, SG No. 56/2006) In compliance with the provision of Paragraph 1, upon social insurance under an occupational scheme, there shall be no discrimination whatsoever on the basis of sex, either directly or indirectly, by reference in particular to marital or family status, especially as regards:

1. the scope of the schemes and the conditions of access thereto;

2. the obligation to make social insurance contributions and the calculation of contributions;

3. the calculation of retirement benefits, including supplementary benefits due in respect of spouses and dependants, and the conditions governing the duration and retention of entitlement to retirement benefits.

Collective Bargaining

Article 232. (New, SG No. 67/2003) (1) (Previous text of Article 232, SG No. 56/2006) Supplementary voluntary retirement insurance implemented by the employer may be a subject of collective bargaining.

(2) (New, SG No. 56/2006) Social insurance under occupational schemes shall be mandatorily regulated in a collective bargaining agreement or in a collective employment contract of a minimum content under Article 237 (3) herein.

Obligation to Transfer Social Insurance Contribution

Article 233. (New, SG No. 67/2003) (1) (Previous text of Article 233, SG No. 56/2006) Social insurance contributors shall be obligated, if the insured person so wishes, to withhold the social insurance contribution which is for the account of the said person from the remuneration of the said person for the relevant month and to transfer the said contribution to the relevant supplementary voluntary retirement insurance fund.

(2) (New, SG No. 56/2006) Sponsoring undertakings shall withhold the social insurance contribution which is for the account of the insured person from the remuneration of the said person for the relevant month and to transfer the said contribution to the fund for supplementary voluntary retirement insurance under occupational schemes.

Individual Account

Article 234. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) The contributions to supplementary voluntary retirement insurance funds and the resources transferred from another supplementary voluntary retirement insurance fund shall be recorded and accrued on the individual account of each insured person at the date of receipt of the said contributions and resources on the account of the fund.

(2) (Supplemented, SG No. 56/2006, amended, SG No. 92/2017) Each insured person may have only one individual account at a supplementary voluntary retirement insurance fund and/or one account at a fund for supplementary voluntary retirement insurance under occupational schemes. Records of the contributions made, the amounts paid and transferred, and the fees and deductions collected shall be recorded in the individual account.

(3) The individual account shall be kept in terms of Bulgarian leva and units. The supplementary voluntary retirement insurance contributions and the resources transferred from another fund shall be accounted in terms of units and fractions of units.

(4) Deductions, as a percentage of each social insurance contribution, shall be made before their accounting in units under Paragraph 3.

(5) Each unit shall represent a proportional part of the net assets of the fund. All units in a fund shall be equal in value, which shall be determined and declared according to Paragraph 9.

(6) The value of all units and fractions of units in the fund shall be equal to the net asset value of the fund.

(7) The return on investment of the resources of the fund shall be included upon determination of the value per unit according to Paragraph 5.

(8) No reallocation of resources among individual accounts shall be admissible.

(9) The procedure and manner for calculation and declaration of the value per unit, as well as the requirements to the keeping of the individual account, shall be established by an ordinance of the Commission.

(10) (Amended, SG No. 56/2006) On the day of receipt of the first contribution to each of the funds or on the day of first reporting of the resources accrued on the individual accounts in units, the value per unit shall be equal to BGN 1.

(11) The resources accrued on the individual accounts of the insured persons shall not be subject to enforced execution.

(12) During the accrual of resources on the individual accounts of the insured persons, no other deductions except the ones specified in this Code can be made.

(13) (New, SG No. 56/2006) Upon granting of a pension under an occupational scheme with cover for biometrical risks and/or with a guaranteed minimum level of return and/or a given amount of the pension, the resources accrued on the individual account of the insured person or part thereof shall be transferred to the assets referred to in Article 213a (2) herein under the

terms of the social insurance contract and of the occupational scheme.

Chapter Twnty-Three **(New, SG No. 67/2003)** **CONTRACTS**

Conclusion of Social Insurance Contract

Article 235. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) The supplementary voluntary retirement insurance contract shall regulate the supplementary voluntary retirement insurance relations and shall be concluded between:

1. the retirement insurance company, of the one part, and the insured person, the social insurance contributor or the third-party social insurance contributor, of the other part: applicable to insurance in a supplementary voluntary insurance fund;
2. the retirement insurance company, of the one part, and the sponsoring undertaking, of the other part: applicable to insurance in a fund for supplementary voluntary insurance under occupational schemes.

(2) (Amended, SG No. 92/2017) Where the social insurance contract is concluded between a social insurance contributor and a retirement insurance company, the said contract shall be in favour of the insured persons.

(3) (Amended, SG No. 56/2006, SG No. 92/2017) In the case of social insurance under a contract under Item 1 of Paragraph (1) with a contributor or another contributor, the prior written consent of the person in whose favour the contract was concluded shall be required. The written consent of each person shall be provided to the retirement insurance company prior to or simultaneously with the transfer of the first social insurance contribution related thereto. In the event of absence of a prior consent of a specific person, the retirement insurance company shall return the social insurance contribution related to such person to the contributor or the other contributor.

(4) (New, SG No. 56/2006) In the cases of insurance in a fund for supplementary voluntary retirement insurance under occupational schemes, upon conclusion of the social insurance contract, the sponsoring undertaking shall present to the retirement insurance company the collective bargaining agreement or an abstract transcript of the collective employment contract, as the case may be, setting forth the conditions of the occupational scheme, and a list of the insured persons included in the said scheme.

Information and Consultation

Article 235a. (New, SG No. 92/2017) Prior to the conclusion of a pension contract or a contract for payment in instalments the retirement insurance company shall be obliged to acquaint the insured person with his/her rights in connection with the acquired pension entitlement and to consult him/her in choosing the most appropriate payment.

Restrictions on Insured Persons' Rights

Article 236. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) The social insurance contract for insurance in a supplementary voluntary insurance fund may restrict the right of the insured person:

1. to withdraw or transfer the resources for supplementary voluntary retirement insurance remitted in his or her favour for the account of a third-party social insurance contributor;
2. to transfer the resources for voluntary retirement insurance remitted in his or her favour by an employer or persons under Item 3 of Article 230 (3) herein.

(2) The restrictions under Item 2 of Paragraph 1 shall not apply where:

1. the social insurance contract has been terminated;
2. the employment relationship, the civil-service relationship or the contract for management or control have been terminated.

(3) (New, SG No. 56/2006) In the cases of insurance under an occupational scheme, the restrictions on the rights of the insured persons and the lifting of the said restrictions shall be entirely regulated in the collective employment contract or in the collective bargaining agreement, as the case may be, on the occupational scheme.

Contents of Social Insurance Contract

Article 237. (New, SG No. 67/2003) (1) (Previous text of Article 237, SG No. 56/2006) The social insurance contract shall mandatorily state:

1. (amended, SG No. 39/2005, SG No. 34/2006, SG No. 56/2006, SG No. 92/2017) the names/business names and addresses of the contracting parties, the court registration and the unified identification code of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes, the pension licence and the commercial registration of the retirement insurance company which manages the supplementary voluntary retirement insurance fund, and the unified identification code or the respective particulars of the non-resident institution;
2. the subject and scope of social insurance;
3. the rate of the social insurance contribution;
4. the terms, procedure and mode of payment of the social insurance contribution and of the supplementary pension by the fund;
5. (new, SG No. 92/2017) the rights and obligations of the parties to the contract and the survivors of the insured person;
6. (new, SG No. 92/2017) information that the insured person or persons is/are not guaranteed returns or retention in full amount of the funds deposited thereby;
7. (renumbered from item 5, SG No. 92/2017) the date of conclusion and the effective date of the social insurance contract;
8. (renumbered from item 6, SG No. 92/2017) the terms for termination of the contract;
9. (renumbered from item 7, SG No. 92/2017) the amount of fees and deductions;
10. (new, SG No. 92/2017) the procedure and manner for receiving information;
11. (new, SG No. 92/2017) the names according to the identity document and the official number in the retirement insurance company of the insurance intermediary, respectively of the person authorised by a legal-person insurance intermediary, in the cases where the contract is concluded through its mediation.

(2) (New, SG No. 56/2006) In addition to the information covered under Paragraph 1, the social insurance contract for insurance in a fund for supplementary voluntary retirement insurance under occupational schemes shall furthermore contain a full description of the scheme.

(3) (New, SG No. 56/2006) The occupational scheme shall define:

1. the conditions and scope of the insurance;
2. the types of retirement benefits;
3. the amount of the social insurance contribution.

Term of Validity

Article 238. (New, SG No. 67/2003) The social insurance contract shall be open-ended and shall be drawn up and signed in as many copies as are the parties thereto.

Obligation to Provide the Fund's Rules and Investment Policy

(Heading amended, SG No. 92/2017)

Article 239. (New, SG No. 67/2003, supplemented, SG No. 56/2006, amended, SG No. 92/2017) Upon conclusion of a contract for social insurance in a voluntary retirement insurance fund or in a fund for supplementary voluntary retirement insurance under occupational schemes, the insured person and any person referred to in Article 230, Paragraph (3), Items 2 – 4 and Paragraph (4), Item 1 shall receive, upon request and against signature, a certified copy of the Rules and the investment policy of the fund effective at the date of conclusion of the contract.

Termination of Social Insurance Contract

Article 240. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) The social insurance contract for insurance in a supplementary voluntary retirement insurance fund or in a fund for supplementary voluntary retirement insurance under occupational schemes may not be terminated unilaterally by the retirement insurance company save in the cases provided for in this Code.

(2) The social insurance contract shall mandatorily be terminated in the following cases:

1. upon death of the insured person;
2. when the insured person, acting of his or her own accord, switches to another retirement insurance company;
3. upon lump-sum withdrawal of the entire amount accrued on the individual account;
4. (new, SG No. 56/2006) upon death of a third-party social insurance contributor if a natural person.

(3) (New, SG No. 56/2006) The social insurance contract for insurance in a fund for supplementary retirement insurance under occupational schemes shall be terminated upon the transfer of the occupational scheme to another fund for supplementary voluntary retirement insurance under occupational schemes.

Pension Contract

Article 241. (New, SG No. 67/2003) (1) A pension contract with the retirement insurance company shall be signed upon acquisition of entitlement to pension under the terms established by this Title.

(2) The pension contract shall mandatorily contain the essential elements covered under Article 169a (2) herein.

Contract for Payment by Instalments

Article 241a. (New, SG No. 92/2017) The provision of Article 169b shall apply accordingly to contracts for payment in instalments of resources from a supplementary voluntary retirement insurance fund or from a fund for supplementary voluntary retirement insurance under occupational schemes.

Advisory Board

Article 242. (New, SG No. 67/2003) (1) The interests of the persons insured at a supplementary voluntary retirement

insurance fund shall be represented by an Advisory Board.

(2) The requirements to the composition, rights and obligations of the Advisory Board shall be established by an ordinance of the Council of Ministers on a motion by the Commission.

Chapter Twenty-Four

(New, SG No. 67/2003)

RIGHTS OF INSURED PERSONS

Personal Old-Age Pension

Article 243. (New, SG No. 67/2003, amended, SG No. 112/2003, SG No. 56/2006) (1) Entitlement to a personal old-age pension upon insurance in a supplementary voluntary retirement insurance shall arise upon acquisition of entitlement to contributory-service and retirement-age pension according to the procedure established by Part One herein.

(2) (Amended, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 92/2017) If the insured person so wishes, the supplementary voluntary retirement insurance fund may pay a personal old-age pension upon attainment of the age required for entitlement to a contributory-service and retirement-age pension under Article 68 (1) herein or within five years prior to the attainment of the said age by the person.

(3) The pension upon insurance in a supplementary voluntary retirement insurance may be lifelong or fixed-period at the election of the insured person.

(4) The entitlement to a personal old-age pension upon insurance in a fund for supplementary voluntary retirement insurance under occupational schemes shall arise upon attainment of the age of 60 years for women and men.

(5) The pension referred to in Paragraph 4 shall be fixed-period according to the conditions of the occupational scheme.

(6) According to the conditions of the occupational scheme, as stipulated in the collective bargaining agreement or in the collective employment contract, as the case may be, the fund for supplementary voluntary retirement insurance under occupational schemes may pay the insured person the old-age pension for up to five years prior to attainment of the age of 60 years.

Personal Invalidity Pension

Article 244. (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) Entitlement to a personal invalidity pension upon insurance in a supplementary voluntary retirement insurance fund shall arise as from the date of disablement as indicated in the decision of the Territorial Medical Expert Board or of the National Medical Expert Board.

(2) The personal invalidity pension may be lifelong or fixed-period depending on the decision of the authorities under Paragraph 1.

Rights of Survivors

Article 245. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) The persons who are entitled to a survivor pension from a supplementary voluntary retirement insurance fund shall be determined in the Rules of the fund and shall be specified in the social insurance contract.

(2) Upon death of the insured person and where there is no person under Paragraph 1, the resources accrued on the individual account shall be due to the legal heirs.

(3) Where there are no persons under Paragraph 1 and no legal heirs, the resources accrued on the individual account shall remain in the reserve for payment of lifelong pensions.

(4) Upon death of a pensioner and where there are no persons under Paragraph 1, the legal heirs shall be paid the balance of resources on the individual account of the said pensioner.

(5) Where there are no persons under Paragraph 1 and no successors to deceased pensioner, the resources due shall remain in the pension reserve.

(6) (New, SG No. 56/2006) The persons, who are entitled to a lump-sum payment or payment by instalments from a fund for supplementary voluntary retirement insurance under occupational schemes upon death of the insured person or pensioner, shall be determined in the collective bargaining agreement or the collective employment contract.

(7) (New, SG No. 56/2006) Where there are no persons referred to in Paragraph 6, the resources accrued on the individual account shall be due according to the Succession Act.

Amount of Pension

Article 246. (New, SG No. 67/2003) (1) The amount of the lifelong pension under this Title shall be determined on the basis of:

1. the resources accrued on the individual account;
2. (amended, SG No. 92/2017) biometric tables, as approved by the Commission;
3. (amended, SG No. 92/2017) the technical interest rate, as approved by the Commission.

(2) (New, SG No. 92/2017) When the pension under Paragraph (1) is calculated, the life expectancy may not be longer than that defined in the biometric tables.

(3) (Renumbered from Paragraph 2, SG No. 92/2017) The amount of the fixed-period pension under this Title shall be determined on the basis of:

1. the amount accrued on the individual account;
2. the period of receipt;
3. (amended, SG No. 92/2017) the technical interest rate, as approved by the Commission.

(4) (New, SG No. 100/2007, amended, SG No. 20/2013, renumbered from Paragraph 3, SG No. 92/2017) The use of gender as an actuarial factor in determining the amount of the lifelong pension in a voluntary retirement insurance fund shall not be permissible.

(5) (New, SG No. 100/2007, renumbered from Paragraph 4, SG No. 92/2017) The retirement insurance company shall update the tables referred to in Item 2 of Paragraph 1 upon:

1. material changes in the underlying official statistical data;
2. material changes which have occurred, in its estimated, in the life expectancy of the insured persons in the pool of the supplementary voluntary retirement insurance fund.

(6) (New, SG No. 100/2007, renumbered from Paragraph 5, amended, SG No. 92/2017) The updated tables shall be presented for approval to the Commission together with the actuarial research which justify the changes.

(7) (New, SG No. 100/2007, renumbered from Paragraph 6, amended, SG No. 92/2017) In case of substantial changes in the official statistical data on which the tables referred to in Item 2 of Paragraph (1) are based, the Commission may obligate the retirement insurance company to effect the necessary changes in the said tables and to present them for approval.

(8) (New, SG No. 100/2007, renumbered from Paragraph 7, amended, SG No. 92/2017) In the cases referred to in Paragraphs (6) and (7), the Commission on a motion by the Deputy Chairperson of the Commission shall render a decision within one month of receiving the tables, and where the Deputy Chairperson of the Commission has requested that additional documents and/or information be presented within a time limit specified thereby or has given instructions to remove technical errors in calculations or non-conformities with the provision of this Code, the statutory instruments for its application or official statistical information on which the biometric tables are based – within one month of the submission of the above. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set by the Deputy Chairperson of the Commission for their submission. The applicant shall be notified in writing within seven days of the decision made.

(9) (New, SG No. 100/2007, renumbered from Paragraph 8, amended, SG No. 92/2017) The Commission shall refuse to approve the changes in the tables referred to in Item 2 of Paragraph (1) where:

1. (new, SG No. 20/2013, amended, SG No. 92/2017) the requirements of this Code and the instruments on its implementation are not complied with;

2. (renumbered from Item 1, SG No. 20/2013) the changes are not in conformity with the up-to-date official national statistical data;

3. (renumbered from Item 2, SG No. 20/2013) the actuarial research presented by the retirement insurance company does not justify the changes sought;

4. (renumbered from Item 3, SG No. 20/2013) appropriate actuarial methods have not been used in preparation of the said tables;

5. (renumbered from Item 4, SG No. 20/2013, amended, SG No. 92/2017) the additional documents or information have not been submitted, the errors or non-conformities have not been rectified, or new errors or non-conformities were made;

(10) (New, SG No. 92/2017) In the event of change in the technical interest rate the retirement insurance company shall submit to the Commission a justified proposal accompanied by a request for its approval.

(11) (New, SG No. 92/2017) The Commission on a motion by the Deputy Chairperson of the Commission shall render a decision within one month of receiving the request for approval of the technical interest rate, and where the Deputy Chairperson of the Commission has requested that additional documents and/or information be presented within a time limit specified thereby or has given instructions to remove technical errors in calculations or non-conformities with the provision of this Code, the statutory instruments for its application or other documents – within one month of the submission of the above. In the cases where the requested documents or information are not submitted, the Commission shall rule on the case within one month of the expiry of the time limit set for their submission. The applicant shall be notified in writing within seven days of the decision made.

(12) (New, SG No. 92/2017) The Commission shall refuse to approve the amount of the technical interest rate proposed by the retirement insurance company where:

1. the requirements of this Code and of the instruments on its implementation are not complied with;
2. the proposal presented by the company does not justify the rate;
3. the additional documents or information have not been submitted, the errors or non-conformities have not been rectified, or new errors or non-conformities were made.

(13) (New, SG No. 92/2017) In case of substantial changes in the conditions under which the technical interest rate has been approved, the Commission may obligate the retirement insurance company to effect the necessary changes in the amount of the technical interest rate and to present it for approval.

Right to Transfer from Supplementary Voluntary Retirement Insurance Fund or from Fund for Supplementary Voluntary Retirement Insurance under Occupational Schemes

(Heading amended, SG No. 56/2006)

- Article 247.** (New, SG No. 67/2003) (1) Not more frequently than once within a calendar year, the insured person shall have the right to transfer the resources accrued on the individual account or part of the said resources from one supplementary voluntary retirement insurance fund to another such fund, incorporated and managed by another retirement insurance company.
- (2) (Amended, SG No. 92/2017, effective 1.04.2018) Apart from the cases under Paragraph (1), the insured person shall have the right to transfer the funds accrued on the individual account to another fund managed by another retirement insurance company, in case of dissent with revisions introduced in the rules of organisation and operation of the fund or the fund's investment policy, if the said person submits an application to this end within three months after the notification under Article 229 (5) or Article 175a (4) herein, except where such revisions have resulted from changes in statutory regulations.
- (3) Not more frequently than once within a calendar year, the insured person shall have the right to transfer the resources accrued on the individual account thereof from personal social insurance contributions or part of the said resources to an individual account of a spouse or of lineal relatives up to the second degree of consanguinity at the same or at another supplementary voluntary retirement insurance fund.
- (4) (New, SG No. 56/2006) Upon termination of the legal relationship between the sponsoring undertaking and the insured person, the said person shall have the right to transfer the resources accrued from personal social insurance contributions on the individual account or part of the said resources from one fund for supplementary voluntary retirement insurance under occupational schemes to another such fund, managed by another retirement insurance company.
- (5) (New, SG No. 56/2006) The occupational scheme may be transferred from one fund for supplementary voluntary retirement insurance under occupational schemes to another relevant fund, managed by another retirement insurance company, on the basis of a supplemental agreement between the parties to the collective bargaining agreement or to the collective employment contract, as the case may be.
- (6) (Renumbered from Paragraph 4 and amended, SG No. 56/2006) The procedure and manner for transfer of the resources accrued on the individual account shall be established by the ordinance referred to in Article 171 (5) herein.

Right to Withdraw and Be Paid Resources Accrued

- Article 248.** (New, SG No. 67/2003, amended, SG No. 56/2006) (1) The insured person shall have the right to withdraw:
1. the resources accrued on the individual account from personal social insurance contributions: at any time, applicable to

insurance in a supplementary voluntary retirement insurance fund;

2.the resources accrued from contributions paid by the social insurance contributor: only upon acquisition of entitlement to a personal old-age or invalidity pension.

(2) (Amended, SG No. 92/2017) Upon acquisition of entitlement to a personal old-age pension under Article 243 (1), (2), (4) and (6) or disability pension under Article 244 (1) from supplementary voluntary retirement insurance funds, the insured person shall have the right to choose between the respective type of pension under the terms established by this Title and a lump-sum payment or payment by instalments of the funds accrued on the individual account of the said person.

Preservation of Rights when Moving from One Member State to Another

Article 248a. (New, SG No. 56/2006) (1) The persons insured under an occupational scheme, in respect of whom social insurance contributions under the said scheme are no longer being made as a consequence of their moving from the Republic of Bulgaria to another Member State, shall preserve the rights thereof to the same extent as for the insured persons in respect of whom social insurance contributions are no longer being made but who remain within the Republic of Bulgaria.

(2) Paragraph 1 shall furthermore apply to other persons holding entitlement under the relevant occupational scheme.

Cross-Border Payments

Article 248b. (New, SG No. 56/2006) Payments for any persons insured under an occupational scheme, as well as for any other persons holding entitlement under any such scheme, shall be made in other Member States net of the taxes and transactions charges due.

Chapter Twenty-Five (New, SG No. 67/2003) INVESTMENTS

Procedure for Investment

Article 249. (New, SG No. 67/2003, amended, SG No. 17/2006, SG No. 56/2006) (1) (Previous text of Article 249, amended, SG No. 22/2015, effective 24.03.2015, SG No. 92/2017, effective 18.11.2018) The provisions of Chapter Fourteen herein shall apply to the investments of any supplementary voluntary retirement insurance fund with the exception of Articles 178, 180a and 180b.

(2) (New, SG No. 22/2015, effective 24.03.2015, amended, SG No. 92/2017, effective 18.11.2018) The provisions of Chapter Fourteen with the exception of Articles 175a, 178, 180a and 180b herein shall apply to the investments of any supplementary voluntary retirement insurance fund under occupational schemes.

Investment of Resources

Article 250. (New, SG No. 67/2003, amended, SG No. 56/2006) The requirements for a minimum rate of return shall not apply to investment of the resources of supplementary voluntary retirement insurance funds.

Investment Restrictions

Article 251. (New, SG No. 67/2003, amended, SG No. 17/2006) (1) (Amended, SG No. 56/2006, SG No. 41/2009, effective 2.06.2009, SG No. 92/2017, effective 18.11.2018) No more than 5 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments issued by a single issuer. This restriction:

1. shall not include the debt securities referred to in letters "a" and "b" of Item 1 of Article 176 (1);

2. shall not include the debt securities with investment rating referred to in letter "c" of Item 1 of Article 176 (1);

3. where the issuer is a bank, the restriction shall also include any bank deposits with the said bank, the value of the reverse repurchase transactions with it under Article 179a (1) herein, and the value of the net exposure under currency forward contracts and interest rate swap agreements with this bank;

4. where the issuer is a financial institution, the restriction shall also include the value of the net exposure under currency forward contracts and interest rate swap agreements with this institution.

(2) (Amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) The total value of investments of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, in financial instruments issued by companies within the same group and persons with which such companies are in close links may not exceed 10 per cent of the fund's assets. This restriction shall also include:

1. any bank deposits of the fund with banks within the group and banks which are in close links with companies within the group, the value of the reverse repurchase transactions with such banks under Article 179a (1) herein, and the value of the net exposure under currency forward contracts and interest rate swap agreements with such banks;

2. the value of the net exposure under currency forward contracts and interest rate swap agreements with financial institutions within the group and financial institutions which are in close links with companies within the group.

(3) (Amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) No more than 5 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate may be invested in deposits with a single bank.

(4) (Amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) No more than 2 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments referred to in Item 7 of Article 176 (1).

(5) (Amended, SG No. 56/2006, SG No. 41/2009, effective 2.06.2009, SG No. 92/2017, effective 18.11.2018) No more than 3 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments referred to in Item 8 of Article 176 (1).

(6) (Amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) No more than 2 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments referred to in Item 9 of Article 176 (1).

(7) (Amended, SG No. 56/2006, SG No. 41/2009, effective 2.06.2009, SG No. 92/2017, effective 18.11.2018) No more than 10 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments referred to in Item 10 of Article 176 (1) herein, and no more than 2 per cent of the assets of the respective fund may be invested in special purpose investment companies performing securitisation of assets.

(8) (New, SG No. 62/2017, amended, SG No. 92/2017, effective 18.11.2018) No more than 10 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in units or shares in collective investment schemes managed by the same management company.

(9) (New, SG No. 92/2017, effective 18.11.2018) No more than 2 per cent of the assets of a supplementary voluntary retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be invested in financial instruments referred to in Item 12 of Article 176 (1).

(10) (New, SG No. 56/2006, renumbered from Paragraph (8), SG No. 62/2017, renumbered from Paragraph (9), SG No. 92/2017, effective 18.11.2018) No more than 5 per cent of the funds accrued in any occupational scheme may be invested in securities issued by the sponsoring undertaking.

(11) (New, SG No. 56/2006, renumbered from Paragraph (9), SG No. 62/2017, renumbered from Paragraph (10), SG No. 92/2017, effective 18.11.2018) No more than 10 per cent of the funds accrued in any occupational scheme may be invested in securities issued by the sponsoring undertaking which established the scheme and the parties related thereto.

(12) (New, SG No. 56/2006, renumbered from Paragraph (10), SG No. 62/2017, renumbered from Paragraph (11), SG No. 92/2017, effective 18.11.2018) A non-resident institution may invest the resources related to an activity under Article 229d herein complying with the following restrictions:

1. no more than 30 per cent of the resources may be invested in securities which are not admitted to trading on a regulated securities market;

2. no more than 5 per cent of the resources may be invested in securities issued by a single issuer;

3. no more than 10 per cent of the resources may be invested in securities issued by the issuer and the parties related thereto;

4. no more than 30 per cent of the resources may be denominated in currencies other than Bulgarian leva and euro.

(13) (New, SG No. 92/2017, effective 18.11.2018) No more than 30 per cent of the assets of a supplementary voluntary

retirement insurance fund or of a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, may be denominated in any currency other than Bulgarian leva and euro, except for assets the currency risk associated with which is limited through concluded hedging transactions as set out in Article 179b.

(14) (New, SG No. 92/2017, effective 18.11.2018) No more than 10 per cent of the assets of supplementary voluntary retirement insurance funds may be invested in investment property referred to in Item 13 of Article 176 (1) herein, and the investment in a single estate may not exceed 5 per cent of the assets of any such funds.

(15) (New, SG No. 92/2017, effective 18.11.2018) The specific requirements for and restrictions of the investments shall be set out in the investment policy of the respective fund.

Breach of Requirements and Violation of Restrictions for Objective Reasons

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 251a. (New, SG No. 17/2006, amended, SG No. 56/2006, SG No. 92/2017, effective 18.11.2018) (1) A retirement insurance company shall be obliged to monitor on a daily basis the compliance with the requirements of Articles 176 and 179b herein and the investment policy of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, managed thereby. In the event that acquired assets cease to meet the stated requirements for objective reasons, the retirement insurance company shall notify the Commission of this within 7 days from the date of such change and bring the assets of the fund into conformity compliance with these requirements within 6 months from the change.

(2) A retirement insurance company shall be obligated to monitor on a daily basis the compliance with the restrictions specified in Article 177a, Article 179b (1), Article 251 herein and the investment policy of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, managed thereby, and to bring the assets of the fund into conformity with such restrictions within 6 months of the date on which the relevant investment restriction is exceeded, where the said exceeding is due to:

1. a change in the market price or in the price used to make a subsequent valuation of an asset of the fund;
2. a change in the total value of the assets of the fund;
3. acquisition by the fund of rights associated to shares in its capacity of a shareholder of an issuer;
4. reduction of the capital of a specific issuer;
5. reduction of the number of shares and/or units in a collective investment scheme;
6. other objective reasons justified in writing and documented by the retirement insurance company.

(3) In the cases covered under Paragraph (2), until the assets of the supplementary voluntary retirement insurance fund or of the fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, are brought into conformity with the statutory requirements, the retirement insurance company may not acquire for the account of the fund assets in respect of which the restriction has been violated.

(4) Where, in the case of transformation of a supplementary voluntary retirement insurance fund or a fund for supplementary voluntary retirement insurance under occupational schemes, as appropriate, the restrictions specified in Article 177a, Article 179a and/or Article 251 herein are violated by the newly established or receiving fund, the assets of the latter shall be brought into conformity with these restrictions within six months of the date of registration of the merger by acquisition or merger by the formation in the relevant register.

Non-application of Restrictions

Article 251a1. (New, SG No. 92/2017, effective 18.11.2018) Subject to the principles set out in Article 175, a retirement insurance company which received authorisations to manage supplementary voluntary retirement insurance funds may not apply the restrictions set out in Article 177a, Article 179a and Article 251 by the expiry of 6 months of the month in which the authorisations were received.

Investing Resources Held to Cover Technical Provisions

Article 251b. (New, SG No. 56/2006) (1) The resources held to cover the technical provisions referred to in Item 2 of Article 213a (1) herein shall be invested in a manner appropriate to the nature and duration of the expected future retirement benefits.

(2) The assets referred to in Paragraph 1 may not be pledged, mortgaged or otherwise encumbered.

(3) The assets held to cover the technical provisions shall be diversified and allocated in such a way as to avoid excessive reliance on any particular category of such assets, on the market whereon the said assets are traded, or on any particular investment.

(4) Investment in a category of assets exposing the holder to excessive risk concentration due to the essence of the said assets or the characteristics of the issuer, as well as the share of assets of low liquidity held to cover the technical provisions, shall be kept to prudent levels.

(5) The procedure and manner for investing the resources held to cover the technical provisions, the investment restrictions applicable thereto and the valuation of the assets covering the provisions shall be established by an ordinance of the Commission.

Investment Policy

Article 251c. (New, SG No. 56/2006, amended, SG No. 92/2017) The retirement insurance company managing a fund for supplementary voluntary retirement insurance under occupational schemes shall prepare a statement of investment policy principles regarding management of the fund, which shall be reviewed every three years as well as without delay after any significant change. The minimum content of the said statement shall be determined by an ordinance of the Commission and shall include the investment risk measurement methods, the risk-management techniques implemented and the strategic asset allocation with respect to the nature and duration of pension liabilities, as well as other conditions relevant to the scheme managed. The statement of investment policy shall be submitted to the Commission within three months after the end of the relevant financial year.

Chapter Twenty-Six **(New, SG No. 67/2003)**

ACCOUNTING AND REPORTING

Accounts of Supplementary Voluntary Retirement Insurance Funds

(Heading amended, SG No. 92/2017)

Article 252. (New, SG No. 67/2003) (1) (Previous text of Article 252, amended, SG No. 56/2006) The retirement insurance company shall organize and keep the accounts and shall prepare the financial statements of the supplementary voluntary retirement insurance funds managed thereby in accordance with the provisions of Chapter Fifteen herein.

(2) (New, SG No. 56/2006, amended, SG No. 92/2017) The retirement insurance company or the non-resident institution shall draw up an annual report for each occupational scheme, which shall contain accounts of the funds accrued and the fees and deductions made. The type, format and content of the annual report shall be determined by an ordinance of the Commission.

(3) (New, SG No. 56/2006, amended, SG No. 92/2017) The annual reports referred to in Paragraph (2) shall be submitted by the sponsoring undertaking under the occupational pension scheme and to the Commission within three months after the end of the financial year.

Chapter Twenty-Seven

(New, SG No. 67/2003)

TAX RELIEF

Tax Exemption

Article 253. (New, SG No. 67/2003) (1) (Amended, SG No. 95/2009, effective 1.01.2010) The income of the supplementary voluntary retirement insurance funds; as well as similar income directly connected with voluntary retirement insurance carried out by persons who are registered under the legislation of another EU Member State and who may, in compliance with the legislation concerned, perform voluntary retirement insurance operations, shall not be taxable according to the procedure established by the Corporate Income Tax Act.

(2) The return on investment of the assets of the supplementary voluntary retirement insurance fund, as allocated to the individual accounts of the insured persons, shall not be taxable according to the procedure established by the Income Taxes on Natural Persons Act.

(3) The services related to supplementary retirement insurance shall not be taxable according to the procedure established by the Value Added Tax Act.

(4) The financial result of the retirement insurance company shall be reduced by:

1. the own funds of the company which cover a deficit in the pension reserves;
2. the return on the investment of the resources of the pension reserves.

Deducting Personal Contributions from Taxable Income

Article 254. (New, SG No. 67/2003) The personal contributions for supplementary voluntary retirement insurance made by natural persons shall be deductible from the income of the said persons before taxation according to a procedure, in a manner and at rates established by the Income Taxes on Natural Persons Act.

Expense Allowed

Article 255. (New, SG No. 67/2003) The contributions of social insurance contributors for supplementary voluntary retirement insurance shall be allowed as expense according to a procedure, in a manner and at rates established by the Corporate Income Tax Act.

Chapter Twenty-Eight (New, SG No. 67/2003) FEES AND DEDUCTIONS

Mandatory Fees

Article 256. (New, SG No. 67/2003) (1) (Previous text of Article 256, SG No. 92/2017, effective 18.11.2018) The retirement insurance company shall charge fees and deductions for the management of the supplementary voluntary retirement insurance funds as follows:

1. a lump-sum entrance fee for the opening of an individual social insurance account: not exceeding BGN 10;
2. a deduction as a percentage of each social insurance contribution: up to 7 per cent;
3. an investment fee at a rate not exceeding 10 per cent of the realized return on investment of the resources.

(2) (New, SG No. 92/2017, effective 18.11.2018) The procedure and manner for calculating and transferring the fee referred to in Item 3 of Paragraph (1) shall be established by an ordinance of the Commission.

Additional Fees

Article 257. (New, SG No. 67/2003) (1) The retirement insurance company may charge additional fees in the following cases:

1. (supplemented, SG No. 56/2006, repealed, SG No. 92/2017, effective 1.04.2018);
2. upon each withdrawal (in whole or in part) of the resources accrued on the individual account prior to acquisition of entitlement to a personal old-age pension of invalidity pension;
3. (repealed, SG No. 92/2017, effective 1.04.2018);
4. (new, SG No. 19/2010, amended, SG No. 60/2011, effective 5.08.2011, SG No. 92/2017, effective 1.04.2018) when transferring funds accrued in a given individual account to a pension scheme in accordance with Item 2 of Article 343a (1) or Article 343f(1).

(2) (Amended, SG No. 56/2006, SG No. 92/2017, effective 1.04.2018) The fee referred to in Item 2 of Paragraph (1) shall not be paid by the survivors of a deceased insured person or pensioner.

Amount of Fees and Deductions

Article 258. (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) The specific amount of the fees and deductions under this Chapter shall be determined by the Rules of the supplementary voluntary retirement insurance funds.

(2) The fees under Article 257 (1) herein shall not amount to more than BGN 20.

Fees Established by Statute

Article 259. (New, SG No. 67/2003) (1) (Previous text of Article 259, SG No. 92/2017) Retirement insurance companies may not charge any fees and deductions other than those specified in this Chapter.

(2) (New, SG No. 92/2017) All costs of managing the supplementary voluntary retirement insurance funds shall be borne by the retirement insurance company managing such funds, excluding the costs of acquiring and selling assets.

TITLE FOUR

(New, SG No. 67/2003)

SUPPLEMENTARY VOLUNTARY UNEMPLOYMENT AND/OR VOCATIONAL-TRAINING INSURANCE

Chapter Twenty-Nine

(New, SG No. 67/2003)

GENERAL PROVISIONS

Principles

Article 260. (New, SG No. 67/2003) (1) Supplementary voluntary unemployment and/or vocational-training insurance shall be implemented in observance of the following principles:

1. voluntary participation;
2. separate legal personality of the social insurance company and of the supplementary voluntary unemployment or vocational-training fund;
3. transparency, separation and exclusivity of operation;
4. authorization system and State regulation;
5. mandatory periodic reporting and disclosure of information;
6. fair competition among the social insurance companies.

(2) Supplementary voluntary unemployment and/or vocational-training insurance shall be implemented on a fully-funded principle on the basis of social insurance contributions fixed in advance in the contract with the social insurance company.

Management of Resources of Supplementary Voluntary Unemployment or Vocational-Training Insurance Funds

Article 261. (New, SG No. 67/2003) The resources of the supplementary voluntary unemployment or vocational-training fund

shall be managed exercising the care of responsible merchantship and observing the principles of reliability, liquidity, profitability and diversification, in the best interest of the insured persons.

Insured Persons

Article 262. (New, SG No. 67/2003) (1) The following persons may voluntarily insure themselves or be insured at the supplementary voluntary unemployment or vocational-training funds:

1. factory and office workers;
2. civil servants;
3. (amended, SG No. 64/2007) judges, prosecutors, investigators, state enforcement agents, recordation judges and judicial officers;
4. (amended, SG No. 82/2006, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009) servicemen under the Republic of Bulgaria Defence and Armed Forces Act, civil servants under the Ministry of Interior Act and civil servants under the Implementation of Penal Sanctions and Detention in Custody Act;
5. fiduciaries under contracts for management and control of commercial corporations;
6. (amended, SG No. 112/2003, SG No. 12/2015) persons registered as practitioners of a liberal profession or a skilled craft, or farmers or tobacco producers;
7. persons performing work as sole traders, owners or partners in commercial corporations;
8. persons placed in a job abroad by a Bulgarian job placement intermediation service;
9. persons who perform other work without entering into an employment relationship;
10. (new, SG No. 99/2009, effective 1.01.2010) maritime persons.

(2) The persons under Paragraph 1 shall be insured by means of conclusion of a contract with the unemployment and/or vocational-training insurance company under the terms and according to the procedure established by this Title.

Participation in Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund

Article 263. (New, SG No. 67/2003) Participation in a supplementary voluntary unemployment or vocational-training insurance fund shall commence as from the moment of conclusion of the social insurance contract.

Rights upon Social Insurance at Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund

Article 264. (New, SG No. 67/2003) (1) Social insurance at a supplementary voluntary unemployment insurance fund shall give rise to entitlement to a cash unemployment benefit.

(2) Social insurance at a supplementary voluntary vocational-training insurance fund shall give rise to entitlement to payment of resources for training upon a need stated by the insured person or the social insurance contributor, whether together or separately.

(3) The insured persons shall be entitled to dispose of the resources accrued on the individual account thereof under the terms and according to the procedure established by this Title, the Rules of the funds and the social insurance contracts.

(4) Social insurance contributors shall be entitled to dispose of the resources accrued on the account thereof under the terms and according to the procedure established by this Title, the Rules of the funds and the social insurance contracts.

Chapter Thirty

(New, SG No. 67/2003)

SUPPLEMENTARY VOLUNTARY UNEMPLOYMENT OR VOCATIONAL-TRAINING INSURANCE FUNDS

Incorporation, Management and Representation

Article 265. (New, SG No. 67/2003) (1) Supplementary voluntary unemployment and/or vocational-training insurance shall be implemented through participation in a supplementary voluntary unemployment or vocational-training insurance fund, which shall be incorporated and managed by licensed unemployment and/or vocational-training insurance companies.

(2) The supplementary voluntary unemployment or vocational-training insurance fund shall be incorporated by a resolution of the General Meeting of the unemployment and/or vocational-training insurance company, which shall also adopt the Rules of the said fund.

(3) An unemployment and/or vocational-training insurance company may incorporate and manage only one supplementary voluntary unemployment insurance fund and one supplementary voluntary vocational-training fund.

(4) The supplementary voluntary unemployment or vocational-training insurance fund shall be managed and represented by the managing bodies of the social insurance company.

(5) The unemployment and/or vocational-training insurance company and the supplementary voluntary unemployment insurance fund or the supplementary voluntary vocational-training insurance fund shall have separate legal personality.

(6) Supplementary voluntary unemployment or vocational-training insurance funds shall be incorporated at will.

(7) The registered office and the address of the place of management of the supplementary voluntary unemployment or vocational-training insurance fund shall be mandatorily coincident with the registered office and the address of the place of management of the social insurance company.

Liability of Unemployment and/or Vocational-Training Insurance Company

Article 266. (New, SG No. 67/2003) (1) The unemployment and/or vocational-training insurance company shall be liable to the insured persons by the property of the company for any losses which have occurred as a result of fulfilment in bad faith of the obligations of the company regarding the management and representation of the supplementary voluntary unemployment or vocational-training insurance funds.

(2) The social insurance company under Paragraph 1 shall guarantee by its assets the fulfilment of the obligations thereof to the insured persons.

(3) The supplementary voluntary unemployment or vocational-training insurance fund shall not be liable for any obligations and for any losses of the social insurance company which manages and represents the said fund.

Business Name of Unemployment or Vocational-Training Fund

Article 267. (New, SG No. 67/2003) (1) The business name of an unemployment or vocational-training fund shall mandatorily include a collocation of the words "supplementary", "voluntary", "insurance", "unemployment", "vocational-training" and "fund" or any derivatives of the said words, as well as an indication of the type of the fund.

(2) Only a fund registered in accordance with this Code may use in its business name any collocation of the words under Paragraph 1 or any words of equivalent meaning in the Bulgarian or any foreign language.

Prohibition of Acquisition by Prescription

Article 268. (New, SG No. 67/2003) The assets of a supplementary voluntary unemployment or vocational-training insurance fund may not be acquired by prescription.

Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund Management Authorization

Article 269. (New, SG No. 67/2003) (1) (Supplemented, SG No. 92/2017, effective 18.11.2018) A supplementary voluntary unemployment or vocational-training insurance fund management authorisation shall be issued by the Commission on a motion by the Deputy Chairperson of the Commission. Any licensed unemployment and/or vocational-training insurance company wishing to obtain an authorisation shall submit a written request, enclosing therewith:

1. the resolution of the General Meeting of the licensed social insurance company on incorporation of a supplementary voluntary unemployment or vocational-training insurance fund;
2. the rules of organization and operation of the fund;
3. standard forms of social insurance contracts;
4. a tentative agreement with a custodian bank and with an investment intermediary;
5. information on the software and hardware of the information system of the fund;
6. a financial statement of the company at the last day of the preceding month;
7. information on the organizational structure of the company and the human resources available thereto;
8. (amended, SG No. 34/2006) a current certificate of entry of the social insurance company in the Commercial Register.

(2) The Deputy Chairperson of the Commission may require other data and additional information in connection with the documents under Paragraph 1 and allow a time limit for the submission of the said data and information.

Time Limit for Consideration of Request for Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund Management Authorization

Article 270. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission on a motion by the Deputy Chairperson of the Commission shall issue or refuse issuance of an authorisation within one month after receipt of the request under Article 269 herein, and where additional information and documents have been required, within one month after submission of the said information and documents.

(2) Where a request for issuance of an authorization has been accepted with missing or non-conforming documents, the Deputy Chairperson of the Commission shall notify the social insurance company of the non-conformities within 14 days and shall allow a time limit for their curing.

(3) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall notify the applicant in writing of the decision under Paragraph (1) within seven days after adoption of the said decision.

Refusal to Issue Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund Management Authorization

Article 271. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall refuse to give an authorisation where:

1. after expiry of the time limit allowed under Article 270 (1) and (2) herein, the additional documents or information have not been submitted or the non-conformities have not been cured;
2. the requirements of this Code are not fulfilled;
3. the social insurance company lacks sufficient financial, human and information resources.

(2) In case of refusal, the social insurance company may not reapply for a supplementary voluntary unemployment or vocational-training insurance fund management authorization earlier than six months after the date of the refusal.

Recording by Court

Article 272. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The district court exercising jurisdiction over the registered office of the supplementary voluntary unemployment or vocational-training insurance fund shall record in its register the fund if the social insurance company has submitted an application for registration within six months after receipt of the authorisation by the Commission.

(2) The application for recording by the court shall state:

1. the business name, registered office and address of the place of management of the company;
2. the business name of the unemployment or vocational training-insurance fund;
3. the forenames, patronymics and surnames and the Standard Public Registry Personal Numbers of the persons who manage and represent the social insurance company.

(3) The following documents shall be enclosed with the application:

1. a certified copy of the licence of the unemployment and/or vocational-training insurance company;
2. the articles of association of the unemployment and/or vocational-training insurance company;
3. (amended, SG No. 34/2006) a current certificate of entry of the unemployment and/or vocational-training insurance company in the Commercial Register;
4. the resolution of the General Meeting of the company on incorporation of a supplementary voluntary unemployment or vocational-training insurance fund;
5. the Rules of the supplementary voluntary unemployment or vocational-training insurance fund;
6. (amended, SG No. 92/2017, effective 18.11.2018) the supplementary voluntary unemployment or vocational-training insurance fund management authorisation issued by the Commission.

(4) The business name of the supplementary voluntary unemployment or vocational-training insurance fund; the business name, registered office and address of the place of management of the company which has incorporated the fund; the manner of representation of the company shall be recorded in the register of the district court.

(5) The existence of a supplementary voluntary unemployment or vocational-training insurance fund shall commence as from the date of recording of the said fund in the court register.

Time Limit for Pronouncement by Court

Article 273. (New, SG No. 67/2003) The court shall consider the application for recording of a supplementary voluntary

unemployment or vocational-training insurance fund within 14 days after the date of submission of the said application.

Submission of Transcript of Judgment of Court

Article 274. (New, SG No. 67/2003) The unemployment and/or vocational-training insurance company shall be obligated to submit to the Commission a certified transcript of the judgment of court on recording of a supplementary voluntary unemployment or vocational-training insurance fund within seven days after receipt of the said judgment.

Recording Costs

Article 275. (New, SG No. 67/2003) All costs incurred on the incorporation, on obtaining of a management authorization and on recording of a supplementary voluntary unemployment or vocational-training insurance fund shall be for the account of the supplementary unemployment and/or vocational-training insurance company.

Revocation of Fund Management Authorization

Article 276. (New, SG No. 67/2003, amended, SG No. 92/2017, effective 18.11.2018) The Commission, on a motion by the Deputy Chairperson of the Commission, shall revoke a supplementary voluntary unemployment or vocational-training insurance fund management authorisation upon:

1. ascertainment that the documents which served as grounds for the issuance of the authorization contain untrue data;
2. failure to submit an application for recording at the court within six months after receipt of the supplementary voluntary unemployment or vocational-training insurance fund management authorization;
3. transformation of the social insurance company whereby the management of the fund is transferred to another social insurance company;
4. dissolution of the fund due to merger by acquisition or merger by the formation of another supplementary voluntary unemployment or vocational-training insurance fund;
5. existence of a real and imminent jeopardy to the interests of the insured persons;
6. revocation of the licence of the social insurance company managing the fund.

Obligations of Social Insurance Company after Revocation of Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund Management Authorization

Article 277. (New, SG No. 67/2003) (1) After revocation of a supplementary voluntary unemployment or vocational-training insurance fund management authorization, the unemployment and/or vocational-training insurance company may not conclude new contracts or offer new conditions for supplementary voluntary unemployment or vocational-training insurance, nor modify the said conditions, including the time limit and the amount of contributions under contracts as concluded.

(2) The revocation of the authorization shall not exempt the social insurance company from the obligations thereof under concluded contracts.

Obligation of the Commission after Revocation of the Management Authorisation of a Supplementary Voluntary Unemployment or

Vocational-Training Insurance Funds

(Heading amended, SG No. 92/2017, effective 18.11.2018)

Article 278. (New, SG No. 67/2003, amended, SG No. 92/2017, effective 18.11.2018) The Commission shall transmit a communication on the revocation of a supplementary voluntary unemployment or vocational-training insurance fund management authorisation to the court which has effected the recording, shall cause promulgation of the communication in the State Gazette and shall insert the said communication in at least two national daily newspapers.

Rules of Organization and Operation of Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund

Article 279. (New, SG No. 67/2003) (1) The rules of organization and operation of a supplementary voluntary unemployment or vocational-training insurance fund shall be adopted by the Shareholders' General Meeting of the unemployment and/or vocational-training insurance company.

(2) The rules of organization and operation of the fund must state:

1. the business name of the fund;
2. the business name, registered office, and address of the place of management of the social insurance company which manages the fund;
3. the terms and procedure for conclusion of social insurance contracts, the procedure for amending and supplementing the said contracts, and the conditions for the termination thereof;
4. the terms and procedure for keeping individual accounts of persons insured against unemployment and/or for vocational training and of social insurance contributor accounts for vocational training and for presentation of statements of the said accounts;
5. the period and manner of allocation of the return on investment and the principal objectives and restrictions on the investment policy of the fund;
6. the amount of fees and deductions charged by the social insurance company;
7. the terms, procedure and time limits for payment of unemployment benefits and resources for training;
8. the terms, procedure and time limits for transfer of the resources accrued on the individual account and on the social insurance contributor account;
9. the terms and procedure for amending and supplementing the Rules;
10. the manner and procedure for submission of notices and communications related to the activity of the fund;
11. the methods and intervals of valuation of the assets of the fund;
12. the rights and obligations of the social insurance company, of the insured person and of the social insurance contributors.

Rules of Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund, How Amended and Supplemented

Article 280. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017, effective 18.11.2018) Any clauses amending and supplementing the Rules under Article 279 (2) herein shall be approved by the Commission on a motion by the Deputy Chairperson of the Commission. The Commission shall pronounce within one month after receipt of the application. The applicant shall be notified in writing within seven days of the decision made.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) The unemployment and/or vocational-training insurance company shall notify the insured persons of the specific clauses amending and supplementing the rules of organisation and operation of the fund in person or by means of an insertion in two national daily newspapers within seven days after receipt of the decision of the Commission.

Chapter Thirty-One

(New, SG No. 67/2003)

SOCIAL INSURANCE CONTRIBUTIONS AND ACCOUNTS

Type and Rate of Social Insurance Contributions

Article 281. (New, SG No. 67/2003) (1) Social insurance contributions shall be remitted by the insured person and/or by the social insurance contributor thereof for social insurance at a supplementary voluntary unemployment or vocational-training insurance fund.

(2) The social insurance contributions under Paragraph 1 shall be in cash and may be monthly, for another period, or lump-sum.

Social Insurance Contributions

Article 282. (New, SG No. 67/2003) (1) Contributions under Article 281 herein may be made:

1. by natural persons: for their own account;

2. by employers who or which are social insurance contributors: for their factory and office workers;

3. by authorities which are social insurance contributors for:

(a) civil servants;

(b) (amended, SG No. 64/2007) judges, prosecutors, investigators, state enforcement agents, recordation judges and judicial officers;

(c) (amended, SG No. 82/2006, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009) servicemen under the Republic of Bulgaria Defence and Armed Forces Act, civil servants under the Ministry of Interior Act and civil servants under the Implementation of Penal Sanctions and Detention in Custody Act;

(d) commissioning entities which are social insurance contributors: for persons wherewith a contract commissioning management or control has been concluded;

(e) commissioning entities which are social insurance contributors: for persons wherewith a contract has been concluded for performance of other work without entering into an employment relationship.

(2) Remittance of social insurance contributions by the social insurance contributor shall not obligate the insured person to make contributions for his or her own account.

Prohibition of Discrimination

Article 283. (New, SG No. 67/2003) A social insurance contributor may not refuse supplementary voluntary unemployment and/or vocational-training insurance to any factory and office workers by reason of nationality, origin, sex, sexual orientation,

race, skin colour, age, political or other persuasions, religion or belief, membership of trade-union and other public organizations and movements, marital, social and property status, and existence of mental or physical disabilities.

Collective Bargaining

Article 284. (New, SG No. 67/2003) Supplementary voluntary unemployment and/or vocational-training insurance implemented by the social insurance contributor, with or without the participation of the factory or office worker, may be a subject of collective bargaining.

Obligation to Transfer Social Insurance Contribution

Article 285. (New, SG No. 67/2003) Where social insurance contributions are remitted simultaneously by the insured person and by the social insurance contributor, or by the insured person only, if the insured person so wishes, the social insurance contributor shall withhold the social insurance contribution, which is for the account of the insured person, from the remuneration thereof for the relevant month and shall transfer the said contribution to the unemployment and/or vocational-training insurance fund.

Individual Account and Social Insurance Contributor Account

Article 286. (New, SG No. 67/2003) (1) The personal social insurance contributions by the insured person and the social insurance contributions by the social insurance contributor for supplementary voluntary unemployment insurance shall be accrued on an individual account of the insured person and shall be kept on separate accounts.

(2) The personal social insurance contributions for supplementary voluntary vocational-training insurance shall be accrued on an individual account of the insured person.

(3) The social insurance contributor contributions for vocational training by the social insurance contributor shall be accrued on the social insurance contributor account.

Chapter Thirty-Two

(New, SG No. 67/2003)

RIGHTS OF INSURED PERSONS AND SOCIAL INSURANCE CONTRIBUTORS

Section I

(New, SG No. 67/2003)

Rights of Persons Insured against Unemployment

Cash Benefit

Article 287. (New, SG No. 67/2003) (1) A person insured against unemployment at a voluntary fund shall be entitled to a cash unemployment benefit for a period not longer than 12 months to an amount not exceeding the resources accrued on the individual account from personal social insurance contributions and the contributions by the social insurance contributor and the return on the investment of the said contributions, less the fees and deductions provided for in this Title.

(2) (Amended, SG No. 82/2006, SG No. 64/2007, SG No. 35/2009, effective 12.05.2009, SG No. 53/2014) Upon termination of the contractual relationship with the social insurance contributor on the insured person's own initiative or with the insured person's consent, or due to the insured person's culpable behaviour in pursuance of Items 1 and 2 of Article 325, Articles 326 and 330 of the Labour Code, Items 1, 2 and 5 of Article 103 (1), Articles 105 and 107 of the Civil Servants Act, Items 1 and 6 of Article 162, Article 163 and Items 2 and 3 of Article 165 of the Republic of Bulgaria Defence and Armed Forces Act, Items 4, 6, 8 and 16 of Article 226 (1) of the Ministry of Interior Act, Article 165, Paragraph 1, items 2, 3 and 5 and Article 271, items 2, 3 and 5 of the Judiciary System Act, the unemployment benefit shall be determined at an amount not exceeding the resources accrued on the individual account from personal social insurance contributions and the return on the investment of the said resources less the fees and deductions provided for in this Title, and 10 per cent of the resources accrued from social insurance contributions by the social insurance contributor and the return on the investment of the said resources less the fees and deductions provided for in this Title, for a period not longer than 12 months.

(3) If the insured person so wishes, the amount under Paragraph 1 or (2) may be paid thereto in a lump sum.

Commencement of Entitlement to Cash Benefit

Article 288. (New, SG No. 67/2003) Entitlement to cash unemployment benefit of persons under Items 1 to 5 and Item 9 of Article 262 (1) herein shall arise as from the date of termination of the contractual relationship, and for persons under Items 6 to 8 of Article 262 (1) herein the said entitlement shall arise on the date of termination of the activity.

Rights of Survivors upon Death of Insured Person

Article 289. (New, SG No. 67/2003) (1) Upon death of the insured person, the resources accrued on the individual account thereof from personal social insurance contributions and from social insurance contributions by the social insurance contributor shall be paid in a lump sum to the survivors.

(2) If there are no persons under Paragraph 1, the resources accrued on the individual account shall remain in the state budget.

Right to Transfer Resources to Another Supplementary Voluntary

Unemployment Insurance Fund

Article 290. (New, SG No. 67/2003) The person insured against unemployment shall have the right to transfer the resources accrued on the individual account thereof from personal social insurance contributions or part of the said resources from one supplementary voluntary unemployment insurance fund to another such fund, incorporated and managed by another unemployment and/or vocational-training insurance company, provided that one year has elapsed since the conclusion of the social insurance contract.

Right to Transfer Resources to Spouse or Lineal Relatives

Article 291. (New, SG No. 67/2003) Not more frequently than once within a calendar year, the insured person shall have the right to transfer the resources accrued on the individual account thereof from personal social insurance contributions or part of the said resources to an individual account of his or her spouse or of lineal relatives up to the second degree of consanguinity at the same or at another supplementary voluntary unemployment insurance fund.

Right to Withdraw Resources Accrued on Individual Account

Article 292. (New, SG No. 67/2003) The person insured against unemployment shall have the right to withdraw the resources accrued on the individual account from personal social insurance contributions at any time.

Reallocation of Resources

Article 293. In the cases under Article 287 (2) herein, the balance of the resources accrued on the individual account of the insured person from social insurance contributions by the social insurance contributor shall be reallocated to the accounts of the rest of the persons insured by the said social insurance contributor according to a procedure and in a manner determined in the social insurance contract.

Section II

(New, SG No. 67/2003)

Rights of Persons Insured for Vocational Training

Resources for Training

Article 294. (New, SG No. 67/2003) The person insured at a supplementary voluntary vocational-training insurance fund shall be entitled to resources for training for:

1. initial vocational training for persons who do not possess such training;
2. further training;
3. retraining;
4. higher educational degree.

Entitlement to Use and Amount of Resources for Training

Article 295. (New, SG No. 67/2003) (1) Entitlement to use resources for training from the individual account of the insured person at a supplementary voluntary vocational-training fund shall arise upon declaration by the insured person of a need to acquire initial vocational training, further training, retraining or a higher educational degree.

(2) Payments under Paragraph 1 shall be effected up to the amount of the resources accrued on the individual account of the insured person from social insurance contributions and the return on the investment of the said resources less the fees and deductions provided for in this Title, on the basis of supporting documents and other documents presented by the training organization.

(3) The entitlement to use resources for training from the social insurance contributor account at a supplementary voluntary vocational-training fund shall arise upon declaration by the social insurance contributor of the need of acquisition of initial vocational training, further training, retraining, or higher educational degree with the written consent of the insured person.

(4) Payments under Paragraph 3 shall be effected up to the amount of the resources accrued in the social insurance contributor account from social insurance contributions and the return on the investment of the said resources less the fees and deductions provided for in this Title, on the basis of supporting documents and other documents presented by the training organization.

(5) The maximum amount of the sums under Paragraph 4 per insured person may not exceed the quintuple average amount of the resources accrued for the insured persons from contributions by this social insurance contributor.

Rights of Survivors upon Death of Insured Person

Article 296. (New, SG No. 67/2003) (1) Upon death of the person insured for vocational training, the resources accrued on the individual account thereof from personal social insurance contributions shall be paid in a lump sum to the survivors.

(2) Where there are no persons under Paragraph 1, the resources accrued on the individual account shall remain in the state budget.

Right to Transfer Resources to Another Supplementary Voluntary

Vocational-Training Insurance Fund

Article 297. (New, SG No. 67/2003) The insured person shall have the right to transfer the resources accrued on the individual account thereof or part of the said resources from one supplementary voluntary vocational-training insurance fund to another such fund, incorporated and managed by another unemployment and/or vocational-training insurance company, provided that one year has elapsed since the conclusion of the social insurance contract.

Right to Transfer Resources to Spouse or to Lineal Relatives

Article 298. (New, SG No. 67/2003) Not more frequently than once within a calendar year, the insured person shall have the right to transfer the resources accrued on the individual account thereof from personal social insurance contributions or part of the said resources to an individual account of his or her spouse or of lineal relatives up to the second degree of consanguinity at the same fund or at another supplementary voluntary vocational-training insurance fund.

Right to Withdraw Resources Accrued on Individual Account

Article 299. (New, SG No. 67/2003) The person insured for vocational training shall have the right to withdraw the resources accrued on the individual account from personal social insurance contributions at any time.

Section III

(New, SG No. 67/2003)

Rights of Social Insurance Contributors

Reallocation of Resources from Social Insurance Contributor Account

Article 300. (New, SG No. 67/2003) (1) In case of termination of vocational-training insurance, the resources accrued on the social insurance contributor account and the return on the investment of the said resources less the fees and deductions provided for in this Title shall be reallocated to the individual accounts of the insured persons according to a procedure and in a manner determined by the social insurance contributor.

(2) In cases where the insured person does not have an individual account, the social insurance company shall open such an account.

(3) The social insurance company shall notify the social insurance contributor and the insured persons of the transfer under Paragraph 1 or of the opening of an individual account under Paragraph 2.

Right to Transfer Resources to Another Supplementary Voluntary

Vocational-Training Insurance Fund

Article 301. (New, SG No. 67/2003) Not more frequently than once within a calendar year, the social insurance contributor shall have the right to transfer the resources accrued on the social insurance contributor account from social insurance contributions for the insured persons or part of the said resources from one supplementary voluntary vocational-training fund to another such fund, incorporated and managed by another unemployment and/or vocational-training insurance company.

Procedure for Transfer

Article 302. (New, SG No. 67/2003) The procedure and manner for transfer of the resources under Articles 290, 297 and 301 herein shall be established by an ordinance of the Commission.

Right to Information

Article 303. (New, SG No. 67/2003) Upon written request, the social insurance contributor shall have the right to receive once a year, at no charge to himself, herself or itself, information regarding the resources accrued on the social insurance contributor account, regarding the rate of return on the investment of the said resources and regarding the social insurance rights arising from the resources accrued.

Chapter Thirty-Three (New, SG No. 67/2003) CONTRACTS

Conclusion of Social Insurance Contracts

Article 304. (New, SG No. 67/2003) (1) The supplementary voluntary unemployment and/or vocational-training insurance contract shall be concluded in writing and shall regulate the supplementary voluntary unemployment and/or vocational-training insurance relations between the unemployment and/or vocational-training insurance company, of the one part, and the insured person or social insurance contributor, of the other part.

(2) Where the social insurance contract is concluded between the social insurance contributor and the unemployment and/or vocational-training insurance company, the said contract shall be in favour of the insured persons.

(3) An advance written consent from the beneficiary of the social insurance contract under Paragraph 2 shall be required for conclusion of the said contract.

(4) The supplementary voluntary unemployment and/or vocational-training insurance contract shall be open-ended.

Contents of Social Insurance Contract

Article 305. (New, SG No. 67/2003) The social insurance contract shall mandatorily state:

1. (amended, SG No. 39/2005, SG No. 34/2006) the names and addresses of the contracting parties, the court registration and BULSTAT Code of the supplementary voluntary unemployment or vocational-training insurance fund, the licence and the commercial registration of the social insurance company which manages the supplementary voluntary unemployment and vocational-training insurance fund and the standard identification Code;

2. the subject and scope of social insurance;

3. the rate of the social insurance contribution;
4. the terms, procedure and mode of payment of the social insurance contribution, the cash unemployment benefits, the resources for training, and the reallocation of the resources under Articles 293 and 300 herein;
5. the date of conclusion and the effective date of the social insurance contract;
6. the terms for termination of the contract;
7. the amount of fees and deductions.

Chapter Thirty-Four **(New, SG No. 67/2003)** **INVESTMENTS**

Procedure for Investment

Article 306. (New, SG No. 67/2003) (1) The provisions of Chapter Fourteen herein shall apply to the investments of a voluntary unemployment or vocational-training insurance fund, save insofar as otherwise provided for in this Chapter.

(2) The requirements for a minimum rate of return shall not apply upon investment of the resources of a voluntary unemployment or vocational-training insurance fund.

Investment of Resources

Article 307. (New, SG No. 67/2003) The resources of a supplementary voluntary unemployment or vocational-training insurance fund may be invested solely in:

1. securities issued or guaranteed by the State;
2. securities admitted to trading on regulated securities markets;
3. bank deposits;
4. mortgage bonds issued by domestic banks according to the Mortgage Bonds Act;
5. municipal bonds.

Investment Restrictions

Article 308. (New, SG No. 67/2003) (1) No more than 80 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund may be invested in securities issued or guaranteed by the State.

(2) No more than 60 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund may be invested in bank deposits, and no more than 10 per cent in a single bank.

(3) No more than 30 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund may be invested in mortgage bonds, and the investments in mortgage bonds issued by a single bank may not exceed 10 per cent of the assets of the fund.

(4) No more than 10 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund

may be invested in municipal bonds, and the investments in municipal bonds issued by a single municipality may not exceed 5 per cent of the assets of the fund.

(5) No more than 10 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund may be invested in shares issued by Bulgarian issuers and traded on regulated markets.

(6) No more than 20 per cent of the assets of the supplementary voluntary unemployment or vocational-training insurance fund may be invested in corporate bonds issued by Bulgarian issuers and traded on regulated markets.

Chapter Thirty-Five **(New, SG No. 67/2003)** **ACCOUNTING AND REPORTING**

Accounts of Supplementary Voluntary Unemployment or Vocational-Training Insurance Fund

Article 309. (New, SG No. 67/2003) The unemployment and/or vocational-training insurance company shall organize and keep the accounts and shall prepare the financial statements and the financial statements of the supplementary voluntary unemployment or vocational-training insurance funds managed thereby in accordance with the provisions of Chapter Fifteen herein.

Chapter Thirty-Six **(New, SG No. 67/2003)** **TAX RELIEF**

Tax Exemption

Article 310. (New, SG No. 67/2003) (1) (Amended, SG No. 95/2009, effective 1.01.2010) The income of the supplementary voluntary unemployment or/and vocational-training insurance funds, as well as similar income directly connected with voluntary unemployment or/and vocational-training insurance carried out by persons who are registered under the legislation of another EU Member State and who may, in compliance with the legislation concerned, perform voluntary unemployment or/and vocational-training insurance operations, shall not be taxable according to the procedure established by the Corporate Income Tax Act.

(2) The return on investment of the assets of the supplementary voluntary unemployment or vocational-training insurance fund, as allocated to the individual accounts of the insured persons, shall not be taxable according to the procedure established by the Income Taxes on Natural Persons Act.

(3) The services related to supplementary voluntary unemployment and/or vocational-training insurance shall not be taxable according to the procedure established by the Value Added Tax Act.

Deduction of Personal Contributions from Taxable Income

Article 311. (New, SG No. 67/2003) The personal contributions for supplementary voluntary unemployment and/or vocational-training insurance by natural persons shall be deductible from the income thereof before taxation according to a

procedure, in a manner and at rates established by the Income Taxes on Natural Persons Act.

Expense Allowed

Article 312. (New, SG No. 67/2003) The contributions of social insurance contributors for supplementary voluntary unemployment and/or vocational-training insurance shall be allowed as expense according to a procedure, in a manner and at rates established by the Corporate Income Tax Act.

Chapter Thirty-Seven **(New, SG No. 67/2003)** **FEES AND DEDUCTIONS**

Fees and Deductions Established by Statute

Article 313. (New, SG No. 67/2003) The unemployment and/or vocational-training insurance company shall charge fees and deductions for the management of the supplementary voluntary unemployment or vocational-training insurance funds as follows:

1. a lump-sum entrance fee for each insured person: not exceeding BGN 10;
2. a deduction as a percentage of each social insurance contribution: up to 5 per cent for each fund separately;
3. an investment fee at a rate not exceeding 10 per cent of the realized return on investment of the resources of the supplementary voluntary unemployment or vocational-training insurance fund.

Additional Fees

Article 314. (New, SG No. 67/2003) (1) The unemployment and/or vocational-training insurance company may charge additional fees in the following cases:

1. upon each transfer of resources accrued on the individual accounts from one supplementary voluntary unemployment or vocational-training insurance fund to another such fund, managed by another social insurance company;
2. upon each withdrawal (in whole or in part) of the resources accrued on the individual accounts.

(2) The fees under Paragraph 1 shall not be charged upon transfer or withdrawal due to dissent with revisions of the Rules of the supplementary voluntary unemployment or vocational-training insurance fund, transformation or dissolution of the social insurance company or of the supplementary voluntary unemployment or vocational-training insurance fund.

Amount of Fees and Deductions

Article 315. (New, SG No. 67/2003) (1) The specific amount of the fees and deductions under this Chapter shall be determined by the Rules of the supplementary voluntary unemployment or vocational-training insurance fund.

(2) The fees under Article 314 (1) herein shall not amount to more than BGN 20.

Fees Established by Statute

Article 316. (New, SG No. 67/2003) Unemployment and/or vocational-training insurance companies may not charge any fees and deductions other than those specified in this Chapter.

TITLE FIVE

(New, SG No. 67/2003)

TRANSFORMATION, DISSOLUTION AND BANKRUPTCY OF SUPPLEMENTARY SOCIAL INSURANCE COMPANIES AND FUNDS

Chapter Thirty-Eight

(New, SG No. 67/2003)

TRANSFORMATION, DISSOLUTION AND BANKRUPTCY

Conditions for Transformation of Supplementary Social Insurance Company

Article 317. (New, SG No. 67/2003) 1) A supplementary social insurance company shall be transformed on an advance authorization from the Commission under the following terms:

1. proven solvency after the transformation;

2. retention of the rights of the insured persons and of the pensioners.

(2) An advance authorization from the Commission for the Protection of Competition shall be required upon merger by acquisition or merger by the formation of a new supplementary social insurance company.

(3) (Amended, SG No. 92/2017) When a resolution on transformation has been passed by the general meeting of shareholders, the company shall notify the Commission within seven days after the date of the resolution.

Transformation of Supplementary Social Insurance Company

Article 318. (New, SG No. 67/2003) (1) Supplementary social insurance companies may be transformed through merger by acquisition, merger by the formation of a new company, division by acquisition and division by the formation of new companies.

(2) Upon transformation through merger by the formation of a new company, division by acquisition or division by the formation of new companies, the newly formed legal entities must be joint-stock companies whereof objects shall be supplementary retirement insurance or unemployment and/or vocational training insurance, respectively.

(3) Upon merger by the formation of a new supplementary social insurance company or merger by acquisition, the supplementary social insurance funds managed by the said companies shall be acquired by or shall merge with the funds of the relevant type. If the funds managed are of a different type, the activities concerning the management thereof shall pass to the acquiring company upon merger by acquisition or to the newly formed company upon merger by the formation of a new company.

(4) In the cases of division by acquisition or division by the formation of new supplementary social insurance companies, the supplementary social insurance funds shall not be transformed, with the management thereof being assumed by one of the companies, or each of the said companies assuming the management of funds of a specific type.

Requirements for Pension Reserves upon Transformation of Retirement Insurance Companies

Article 319. (New, SG No. 67/2003) Upon transformation of retirement insurance companies, the established pension reserves:

1. shall retain the intended purpose thereof in the company whereto the said reserves are transferred;
2. may not be divided by the formation of new reserves or by acquisition;
3. may be merged by acquisition or by the formation of new reserves of the same intended purpose.

Transformation of Supplementary Social Insurance Funds

Article 320. (New, SG No. 67/2003) (1) A supplementary social insurance fund may be transformed only through merger by the formation of new funds or through merger by acquisition, subject to the condition that the rights of the insured persons and the pensioners are retained.

(2) A supplementary social insurance fund may not be divided by the formation of new funds or by acquisition, nor be transformed into a commercial corporation, a not-for-profit association or a cooperative.

(3) Upon merger by acquisition or merger by the formation of new supplementary social insurance funds, the acquiring fund or the newly formed fund shall be legal successor to the funds which will cease to exist.

(4) If the supplementary social insurance company is not transformed, a supplementary social insurance fund managed thereby may be transformed only through merger by acquisition into a relevant fund managed by another supplementary social insurance company, subject to advance authorization from the Commission for the Protection of Competition.

Supplementary Social Insurance Company Transformation Authorization

Article 321. (New, SG No. 67/2003) (1) In order to obtain a transformation authorization, a supplementary social insurance company shall submit a request to the Commission, enclosing therewith:

1. a General Meeting resolution;
2. an authorization from the Commission for the Protection of Competition - in the cases under Article 317 (2) herein;
3. a transformation plan;
4. other requisite documents.

(2) The request referred to in Paragraph 1 shall be submitted not later than three months after the date of the Shareholders' General Meeting resolution on transformation of the company.

(3) The companies newly formed as a result of the transformation shall be licensed according to the procedure established by Articles 122a to 122d herein.

(4) (Supplemented, SG No. 112/2003) Where, as a result of the transformation of the companies it is necessary to issue a supplementary social insurance funds management authorization, the provisions of Articles 145, 218 and 269 herein shall apply, *mutatis mutandis*.

(5) In the cases under Paragraphs (3) and (4), the documents for licensing and for obtaining a fund management authorization shall be submitted simultaneously with the request for obtaining a transformation authorization.

Procedure for Issuance of Supplementary Social Insurance Company Transformation Authorization

Article 322. (New, SG No. 67/2003) (1) Within two months after receipt of a request under Article 321 (1), the Deputy Chairperson of the Commission shall lay before the Commission a motion to grant or to refuse to grant a transformation authorization and motions for issuance of licences in the cases under Article 321 (3) herein.

(2) If the Deputy Chairperson of the Commission has required additional information and documents, or has issued instructions for curing of non-conformities with the law, the time limit under Paragraph 1 may be extended by one month.

(3) The Commission shall render a reasoned decision to grant or to refuse to grant a transformation authorization within one month after submission of the motion under Paragraph 1.

(4) The Commission shall refuse to issue a transformation authorization where:

1. some of the documents required is missing or non-conforming;
2. the requirements of this Code and of the instruments on its implementation are not fulfilled.

(5) (Amended, SG No. 92/2017, effective 18.11.2018) Simultaneously with the authorisation under Paragraph (3), the Commission shall issue licences to the newly formed companies, management authorisations for the newly-established supplementary social insurance funds, and shall revoke the authorisations issued to the funds which will cease to exist.

(6) (Repealed, SG No. 92/2017, effective 18.11.2018).

(7) The supplementary social insurance company shall be obligated to observe the transformation plan and may not introduce any modifications therein.

Procedure for Issuance of Supplementary Social Insurance Fund

Transformation Authorization

Article 323. (New, SG No. 67/2003) (1) (Supplemented, SG No. 92/2017, effective 18.11.2018) A supplementary social insurance fund shall be transformed under the terms established by Article 320 (4) herein by authorisation of the Commission on a motion by the Deputy Chairperson of the Commission.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) In order to obtain an authorisation under Paragraph (1), the company, following a decision of the competent bodies thereof, shall submit a request to the Commission, enclosing therewith a fund transformation plan, an authorisation from the Commission for the Protection of Competition and other requisite documents.

(3) (Amended, SG No. 92/2017, effective 18.11.2018) The Commission shall pronounce within one month after submission of a request under Paragraph (2), and where additional information and documents have been requested, within one month after receipt of the said information and documents.

Dissolution of Supplementary Social Insurance Company

Article 324. (New, SG No. 67/2003) A supplementary social insurance company shall be dissolved:

1. voluntarily: by resolution of the Shareholders' General Meeting;
2. coercively: by revocation of the pension licence or of the licence for supplementary voluntary unemployment and/or vocational-training insurance;
3. upon adjudication in bankruptcy.

Dissolution of Supplementary Social Insurance Company by General Meeting Resolution

Article 325. (New, SG No. 67/2003) (1) Under the terms established by Item 1 of Article 324 herein, a supplementary social insurance company shall be dissolved through liquidation, and the supplementary social insurance funds managed by the said

company shall be dissolved through merger by acquisition into relevant funds managed by other supplementary social insurance companies.

(2) Upon dissolution according to the procedure established by Paragraph 1, the established pension reserves shall retain the intended purpose thereof, may not be divided, and shall be acquired by reserves of the same intended purpose in other retirement insurance companies.

Conditions for Voluntary Dissolution

Article 326. (New, SG No. 67/2003) (1) Voluntary dissolution of supplementary social insurance companies shall be effected with an advance authorization by the Commission under the following conditions:

1. proven solvency;
2. retaining the rights of the insured persons and of the pensioners.

(2) (Amended, SG No. 92/2017) When a resolution on dissolution has been passed by the general meeting of shareholders, the company shall notify the Commission within seven days after the date of the resolution.

Voluntary Dissolution Authorization

Article 327. (New, SG No. 67/2003) (1) In order to obtain a dissolution authorization, the supplementary social insurance company shall submit a request to the Commission, enclosing therewith:

1. a General Meeting resolution;
2. an authorization from the Commission for the Protection of Competition;
3. a liquidation plan;
4. other requisite documents.

(2) The supplementary social insurance company liquidation plan must furthermore contain an annex regulating the terms, procedure and manner for merger by acquisition of the pension reserves and for transfer of the resources on the insured persons' individual accounts and the guarantees for pensioners.

(3) The request under Paragraph 1 shall be submitted not later than two months after the date of the Shareholders' General Meeting resolution on dissolution of the company.

Procedure for Authorization Issuance

Article 328. (New, SG No. 67/2003) (1) Within two months after receipt of the request, the Deputy Chairperson of the Commission shall lay before the Commission a motion to grant or to refuse to grant a voluntary dissolution authorization.

(2) If the Deputy Chairperson of the Commission has requested additional information or documents, the time limit under Paragraph 1 may be extended by one month.

(3) Within one month after submission of the motion under Paragraph 1, the Commission shall render a reasoned decision to grant or to refuse to grant a voluntary dissolution authorization for the company.

(4) The Commission shall refuse to issue an authorization where:

1. some of the requisite documents is missing or there are irregularities in the said documents;
2. the requirements of this Code and of the instruments on its implementation are not complied with.

(5) (Amended, SG No. 92/2017, effective 18.11.2018) Simultaneously with the authorisation, the Commission shall revoke the licence of the [dissolved] company and the management authorisations for the funds.

(6) (Repealed, SG No. 92/2017, effective 18.11.2018).

Court Proceeding

Article 329. (New, SG No. 67/2003, amended, SG No. 92/2017, effective 18.11.2018) The supplementary social insurance company shall submit the requisite documents to the district court exercising jurisdiction over the registered office of the said company immediately after receipt of the decisions under Article 328 (3) herein on dissolution of the company, on institution of liquidation proceedings and on expungement of the funds managed by the said company, submitting also present certified copies of the said decisions.

Monthly Reports

Article 330. (New, SG No. 67/2003, amended, SG No. 92/2017) The liquidator shall notify the Commission of the progress of proceedings and shall present to it a financial statement and a report on his/her performance on a monthly basis, not later than the 15th day of each month.

Coercive Dissolution in the Cases Specified in Item 1 of Article 122f(1)

Article 330a. (New, SG No. 92/2017) Upon revocation of the licence for supplementary voluntary social insurance on the grounds of Item 1 of Article 122f(1), the company shall be liquidated. The general meeting of shareholders of the company for voluntary social insurance shall appoint a liquidator within two months of the entry into force of the Commission's decision.

Coercive Dissolution in the Cases Specified in Article 122f, Paragraph (1), Items 2 and 6 and Paragraph (2) (Heading amended, SG No. 92/2017)

Article 331. (New, SG No. 67/2003) (1) Coercive dissolution proceedings shall be instituted for each supplementary social insurance company whose supplementary social insurance licence has been revoked in pursuance of Items 2 and 6 of Article 122f(1) and Article 122f(2) herein.

(2) After revocation of the licence, the Commission shall appoint a conservator until appointment of a liquidator.

(3) The proceedings shall be instituted by the district court exercising jurisdiction over the registered office of the company on a petition by the Commission. The said petition shall only indicate the grounds for revocation of the licence, and a certified transcript of the decision to revoke the licence shall be attached to the said petition.

(4) If the petition meets the requirements of Paragraph 1, the court shall institute proceedings for liquidation of the supplementary social insurance company and shall appoint a liquidator.

(5) (Amended, SG No. 92/2017) Within three months after the appointment thereof, the liquidator shall prepare and present to the Commission a liquidation plan together with the annex referred to in Article 327 (2) herein and shall conclude contracts with other supplementary social insurance companies for:

1. merger by acquisition of the relevant funds of the company which will cease to exist into funds managed by such other companies;

2. transfer of the resources on the individual accounts of the insured persons and of the pensioners to relevant funds managed by supplementary social insurance companies under terms and according to a procedure established by an ordinance of the Commission.

(6) (Amended, SG No. 92/2017) Within one month after receipt of the liquidation plan, the Commission on a motion by Deputy Chairperson of the Commission shall render a decision to approve the terms, procedure and manner for satisfaction of the insured persons and the pensioners, provided for in the said plan and in the annex, or imposing other such terms, procedure and manner.

(7) Upon revocation of a supplementary social insurance fund management authorization, the provisions of Paragraphs (2) to (6) shall apply, *mutatis mutandis*.

Retention of Intended Purpose of Pension Reserves

Article 332. (New, SG No. 67/2003) Upon dissolution of a retirement insurance company according to the procedure established by Article 331 herein, the established pension reserves shall retain the intended purpose thereof and shall be acquired by reserves of the same intended purpose in the relevant retirement insurance companies, in accordance with the plan and the contracts under Article 331 (5) herein.

Bankruptcy of Supplementary Social Insurance Company

Article 333. (New, SG No. 67/2003) (1) Bankruptcy proceedings against a supplementary social insurance company shall be instituted when the supplementary social insurance licence has been revoked in pursuance of Item 5 of Article 122f(1) herein.

(2) The supplementary social insurance company shall be insolvent where:

1. it has not settled an exigible cash liability thereof for more than seven days, or
2. the total value of the liabilities thereof exceeds the total value of the assets thereof.

(3) Only the Commission may petition the court to institute bankruptcy proceedings against a supplementary social insurance company.

(4) (Amended, SG No. 92/2017) The petition of the Commission shall contain:

1. the designation of the court to which the petition was addressed;
2. the business name and the unified identification code of the retirement insurance company and the name(s) of the person/persons representing such company;
3. the grounds for revocation of the licence;
4. what is requested;
5. signature of the Chairperson of the Commission.

(5) (New, SG No. 92/2017) A certified copy of the decision for revocation of the licence and proof of notification under Article 78 (1) of the Tax and Social Insurance Procedure Code shall be enclosed with the petition.

(6) (Renumbered from Paragraph 5, SG No. 92/2017) A rehabilitation plan may not be proposed during the bankruptcy proceedings against a supplementary social insurance company.

(7) (Renumbered from Paragraph 6, SG No. 92/2017) The Commission shall appoint a conservator until the appointment of a trustee in bankruptcy by the court.

Bankruptcy Proceedings

Article 334. (New, SG No. 67/2003) (1) The court shall institute the case on the day of receipt of the petition of the Commission under Article 333 (3) herein and shall schedule a hearing for not later than ten days after the institution of the case.

(2) Sitting in camera, The Court shall consider the petition with the participation of a prosecutor, summoning the Commission and the supplementary social insurance company.

(3) By the judgment thereof, the Court shall:

1. declare the company's insolvency and determine its commencement date;
2. institute bankruptcy proceedings;
3. adjudicate the supplementary social insurance company in bankruptcy;
4. terminate the powers of the company's bodies;
5. rule a general hold and lien;
6. deprive the company of the right to manage and dispose of the property included in the bankruptcy estate;
7. decree commencement of realization of the property included in the bankruptcy estate and distribution of the proceeds;
8. appoint a trustee in bankruptcy.

Disqualifications for Trustee in Bankruptcy

Article 335. (New, SG No. 67/2003) A person who is a temporary trustee in bankruptcy or a trustee in bankruptcy of another merchant may not be a trustee in bankruptcy of a supplementary social insurance company. This circumstance shall be established by a declaration submitted by the trustee in bankruptcy upon the appointment thereof by the court.

Obligations of Trustee in Bankruptcy

Article 336. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) Within three months after his or her appointment, the trustee in bankruptcy shall prepare and present to the Commission a plan on:

1. merger by acquisition of supplementary social insurance funds of the company in bankruptcy into relevant funds managed by other supplementary social insurance companies;
2. transfer of the resources on the individual accounts of the insured persons and the pensioners from the funds managed by the company in bankruptcy to other relevant supplementary social insurance funds under terms and according to a procedure established by an ordinance of the Commission.

(2) (Amended, SG No. 92/2017) Within one month after receipt of the plan of the trustee in bankruptcy, the Commission on a motion by Deputy Chairperson of the Commission shall render a decision to approve the terms, procedure and manner for satisfaction of the insured persons and the pensioners, provided for in the said plan, or imposing other such terms, procedure and manner.

(3) Upon bankruptcy of a retirement insurance company, the established pension reserves shall retain the intended purpose thereof and shall be acquired by reserves of the same intended purpose in the relevant retirement insurance companies in accordance with the plan under Paragraph 1.

(4) (Amended, SG No. 92/2017) The trustee in bankruptcy shall submit to the court and to the Commission a report on his/her performance every month not later than the 20th day of the month, and upon request – immediately. The Deputy Chairperson

of the Commission may conduct on-site examinations to certify the accuracy of the reports.

Control over Acts of Trustee in Bankruptcy

Article 337. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) The Commission on a motion by the Deputy Chairperson of the Commission may give mandatory instructions to the trustee in bankruptcy related to the management of the supplementary social insurance company property and check the business books and the cash in hand.

(2) (Amended, SG No. 92/2017) Upon ascertainment of any violations, the Commission may submit motions to the court for discharge of the trustee in bankruptcy and for appointment of a new trustee in bankruptcy.

Sale of Company as Going Concern

Article 338. (New, SG No. 67/2003) (1) On a motion by the trustee in bankruptcy or by the Commission, the court may allow the sale of a supplementary social insurance company as a going concern.

(2) The court may allow the transaction under Paragraph 1 provided that there is a favourable written opinion by the Commission. The Commission shall pronounce within 30 days after receipt of the request from the court.

(3) The court shall verify whether the transaction is not in conflict with the law and whether it does not prejudice the interests of the insured persons and pensioners of the funds managed by the company.

(4) Transfer of ownership prior to conclusive payment of the price shall be inadmissible.

(5) The going concern of a supplementary social insurance company in bankruptcy may be sold only to another licensed supplementary social insurance company.

(6) The transaction shall furthermore be admissible where the joint-stock company is incorporated for this purpose and if it obtains a supplementary social insurance licence from the Commission. In such case, the Court shall approve the transaction after the issuance of the licence.

(7) If the company under Paragraph 6 meets the requirements, the Commission shall issue a licence which shall grant the right to provide supplementary social insurance. The said licence shall be issued only if the applicant has sufficient capital which would allow it to provide supplementary social insurance according to the established requirements after the company has satisfied the claims of the creditors under the terms of the transaction.

(8) The buyer shall be liable only for the liabilities it has assumed under the terms of the transaction as approved by the Court. The rest of the claims and non-exercised rights shall be extinguished.

(9) The court shall terminate the bankruptcy proceedings after execution of the transaction.

(10) The acts of the court referred to in Paragraphs (1) to (9) shall be unappealable.

Close of Bankruptcy Proceedings

Article 339. (New, SG No. 67/2003) (1) Bankruptcy proceedings shall be closed by a judgment of the court when the property of the supplementary social insurance company has been distributed.

(2) By the judgment thereof under Paragraph 1, the Court decree the expungement of the company in the Commercial Register.

Coercive Dissolution in the Cases Specified in Item 7 of Article 122f(1)

Article 339a. (New, SG No. 92/2017) (1) Article 330a shall apply in the cases of revocation of the licence to perform supplementary social insurance activities on the grounds of Item 7 of Article 122f(1) of a company, which has not commenced to perform supplementary social insurance activities.

(2) Articles 331 and 332 shall apply in the cases of revocation of the licence to perform supplementary social insurance activities on the grounds of Item 7 of Article 122f(1) of a company, which has commenced to perform supplementary social insurance activities.

Rights of Insured Persons and Pensioners Upon Transformation and Dissolution

Article 340. (New, SG No. 67/2003) (1) Upon transformation or dissolution of a supplementary social insurance company or of a supplementary social insurance fund, the company to whose fund the individual account of the insured person has been transferred, shall mandatorily notify the said person of the transfer and of his or her rights within one month after the transfer.

(2) Pensioners and social insurance contributors paying contributions at their own expense shall likewise be according to the procedure established by Paragraph 1.

(3) In the cases under Paragraph 1, within one month after the notification the insured persons shall have the right to:

1. transfer the resources accrued on the individual account thereof to another fund of the same type: applicable to supplementary compulsory retirement insurance;

2. transfer the resources accrued on the individual account thereof to another supplementary voluntary social insurance fund or withdraw in a lump sum the resources accrued on the individual account thereof from personal contributions: applicable to supplementary voluntary social insurance.

(4) In the cases under Paragraph 1, within one month after the notification, social insurance contributors shall have the right to transfer the resources accrued on the account thereof to another voluntary unemployment or vocational training insurance fund.

(5) Persons who have not exercised their rights under Paragraph 3 within the fixed time limit shall be presumed to have confirmed tacitly their participation in the respective supplementary social insurance fund to which their individual account has been transferred as a result of the transformation or dissolution.

(6) In the cases under Paragraph 3, the restrictions on switching shall not apply.

Applicability of Commerce Act

Article 341. (New, SG No. 67/2003) Insofar as this Chapter does not provide otherwise, the provisions of the Commerce Act shall apply, *mutatis mutandis*, in respect to the transformation, dissolution and bankruptcy of supplementary social insurance companies.

Archiving

Article 342. (New, SG No. 67/2003) (1) Upon transformation of a supplementary social insurance company or fund, the managing body shall be responsible for delivery of the records of the company and the funds managed by it and the inventories of the said records to the successor company within six months after execution of the transformation.

(2) (Amended, SG No. 92/2017) Upon liquidation of a supplementary social insurance company, the documents held thereby which are relevant to the rights of the insured persons, the pensioners, their survivors and other entitled persons shall be transmitted to the social security company or companies whose funds are successors to the terminated funds managed by the liquidated company, provided that there is no special procedure for their transmission and storage and the storage period has

not expired.

(3) (New, SG No. 92/2017) For the archiving of the remaining documentation, the supplementary social insurance company shall turn for assistance to the bodies of the National Archive Fund.

Definition of Requirements

Article 343. (New, SG No. 67/2003) The Commission shall determine by an ordinance the requirements to the contents of:

1. the plan for transformation of a supplementary social insurance company and of a supplementary social insurance fund;
2. the annex to the liquidation plan of a supplementary social insurance company;
3. the trustee in bankruptcy's plan upon bankruptcy of a supplementary social insurance company;
4. the documents under Item 4 of Article 321 (1), Article 323 (2) and Item 4 of Article 327 (1) herein.

PART TWO "A"

(New, SG No. 19/2010)

INTERRELATION WITH THE PENSION SCHEMES OF THE EUROPEAN UNION, THE EUROPEAN CENTRAL BANK AND THE EUROPEAN INVESTMENT BANK (Heading amended, SG No. 60/2011, effective 5.08.2011)

Chapter Thirty-eight "a"

(New, SG No. 19/2010)

TRANSFER OF PENSION RIGHTS FROM AND TO THE PENSION SCHEMES OF THE EUROPEAN UNION, THE EUROPEAN CENTRAL BANK AND THE EUROPEAN INVESTMENT BANK

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Entitlement to transfer pension rights to the EU pension schemes

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Article 343a. (New, SG No. 19/2010) (1) (Amended, SG No. 60/2011, effective 5.08.2011) Any person insured according to the Bulgarian legislation who has been appointed as an official of an institution or body of the European Union shall be entitled to transfer to the EU pension schemes, jointly or separately at their discretion, the following:

1. (supplemented, SG No. 92/2017) the actuarial equivalent of retirement pension rights from the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance;
2. funds from the insured person's individual account held with a universal pension fund and/or an occupational pension fund and /or a fund for supplementary voluntary retirement insurance under occupational schemes.

(2) (Amended, SG No. 60/2011, effective 5.08.2011) The group of people who shall be entitled to such transfers, the

prerequisites and time limits to fulfil a transfer shall be governed by the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union, as laid down by Regulation (EEC, Euratom, ECSC) No 259/68 of the Council of 29 February 1968.

(3) The transfer of capital referred to in Paragraph 1(1) shall be fulfilled if no employment related pension has been granted from the public social insurance.

(4) The transfer of capital referred to in Paragraph 1(2) shall be fulfilled if no pension has been granted from the relevant fund for supplementary retirement insurance and if no contract has been concluded for one-time/deferred payment of the individual account capital.

(5) (Amended, SG No. 60/2011, effective 5.08.2011, SG No. 92/2017, effective 1.04.2018) The restrictions governing transfers under Article 171 (1), Article 236 (3) and Article 247 (4) shall not apply with respect to transferring capital to the EU pension schemes.

(6) Any bank transfer costs shall be paid by the National Social Security Institute or by the retirement insurance company which executes the relevant transfer.

Consequences from transferring pension rights in the EU pension schemes

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Article 343b. (New, SG No. 19/2010) (1) (Amended, SG No. 60/2011, effective 5.08.2011) No contributory service in respect whereof an actuarial equivalent under Item 1 of Article 343a(1) has been transferred may be used to determine the entitlement and amount of a pension related to work under Bulgarian legislation.

(2) (Amended, SG No. 60/2011, effective 5.08.2011) The act of transferring the funds under Item 2 of Article 343a(1) to the account of an institution or body of the European Union shall extinguish the right to pension from the relevant fund for supplementary voluntary retirement insurance, and the individual account held with this fund shall be closed.

(3) Persons who have transferred their pension rights from the public social insurance and have kept their rights in a fund for supplementary retirement insurance shall:

1. (amended, SG No. 60/2011, effective 5.08.2011) acquire the right to pension from a universal pension fund upon retirement under the EU pension schemes, or when reaching the age required for a contributory-service and retirement-age pension under Article 68(1), or under the conditions laid down in Article 167(2).

2. acquire the right to pension from a fund for supplementary voluntary retirement insurance under occupational schemes when reaching the age of 60 or within 5 years before reaching this age.

3. (amended, SG No. 60/2011, effective 5.08.2011) be entitled to withdraw their capital from an occupational pension fund upon retirement under the EU pension schemes or under a universal pension fund.

Entitlement to transfer pension rights from the EU pension schemes

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Article 343c. (New, SG No. 19/2010) (1) (Amended, SG No. 60/2011, effective 5.08.2011) Any person insured under the EU pension schemes in respect of an employment relationship with an institution or body of the European Union which has been terminated shall be entitled to transfer, as the person may choose, the funds reflecting the rights acquired under the said pension scheme to:

1. (amended, SG No. 98/2016, effective 1.01.2017, supplemented, SG No. 92/2017, amended, SG No. 99/2017, effective 1.01.2018) the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance, as well as to a universal pension fund, if the person concerned was born after 31 December 1959, or

2. a fund for supplementary voluntary retirement insurance which pays lifelong pensions, or

3. (amended, SG No. 102/2015, effective 1.01.2016) insurance company which is entitled to carry out activities under Item 1, Section I, Letter "b" - "Annuities" from Appendix No. 1 to the Insurance Code.

(2) (Amended, SG No. 60/2011, effective 5.08.2011) The category of persons who are entitled to transfers, the prerequisites and time limits to fulfil such transfers shall be governed by the Staff Regulations of Officials of the European Union and the Conditions of Employment of Other Servants of the European Union.

(3) The capital under Paragraph 1(1) shall be transferred when the person commences to carry on work which is subject to compulsory insurance according to this Code.

Consequences from transferring pension rights from the EU pension schemes to the public social insurance and to funds for supplementary compulsory retirement insurance

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Article 343d. (New, SG No. 19/2010) (1) (Amended, SG No. 60/2011, effective 5.08.2011) When a person has elected one of the options under Item 1 of Article 343c(1), the National Social Security Institute shall distribute the funds received from the EU pension scheme in the following sequence:

1. (supplemented, SG No. 92/2017) where funds have been transferred to the EU pension scheme as per the procedure provided for in Article 343a, the amount equal to the amount of the funds transferred, updated as at the transfer date, shall be paid back to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system, as well as to the relevant types of supplementary retirement pension funds from which the funds were previously transferred;

2. out of the amount remaining after the distribution of the funds referred to in Item 1, or, respectively, the funds received, where no funds have been transferred to the EU pension scheme as per the procedure provided for in Article 343a, funds shall be transferred as follows;

(a) (supplemented, SG No. 92/2017) in respect of persons born before 1 January 1960, the transfer shall be to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system; the funds to be transferred shall be calculated based on the remuneration on which the person was insured as at the time of termination of his/her employment relations with an EU body, the contribution amount as at the time of transfer and the actual periods of contributory service in the EU, as well as all other periods of contributory service recognised by the EU, except for those served in Bulgaria;

(b) (supplemented, SG No. 92/2017) in respect of persons born after 31 December 1959, the transfer shall be to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system and to the universal pension fund chosen by the person; the funds to be transferred shall be calculated based on the remuneration on which the person was insured as at the time of termination of his/her employment relations with an EU body, the relevant contribution amounts as at the time of transfer and the actual periods of contributory service in the EU, as well as all other periods of contributory service recognised by the EU, except for those served in Bulgaria.

(2) (Amended, SG No. 60/2011, effective 5.08.2011) When calculating the funds under Item 2 of Paragraph 1, the limitation provision concerning the maximum amount of monthly contributory income in the Republic of Bulgaria, as valid at the time of transfer, shall apply.

(3) (Amended, SG No. 60/2011, effective 5.08.2011) The amount remaining after the transfer of the funds referred to in Paragraph 1 shall be transferred to a fund for supplementary voluntary retirement insurance, as chosen by the person concerned.

(4) (Amended and supplemented, SG No. 60/2011, effective 5.08.2011) The sum total of the length of service under Article 343b(1) and the actual length of service in the European Union, as well as periods of contributory service in other countries and/or international organisations recognised and included in the EU contributory service, shall be recognised as contributory service in the Republic of Bulgaria.

Consequences from transferring pension rights from the EU pension schemes to funds for supplementary voluntary retirement insurance only

(Heading amended, SG No. 60/2011, effective 5.08.2011)

Article 343e. (New, SG No. 19/2010, amended, SG No. 60/2011, effective 5.08.2011) Persons who have elected to transfer the funds reflecting their pension rights from the EU pension schemes to a fund for supplementary voluntary retirement insurance only shall:

1. not be entitled to withdraw these funds before they acquire the right to pension under Item 3;
2. not be entitled to one-time or deferred payment of the capital under Article 248(2);
3. (amended, SG No. 100/2010, effective 1.01.2011) acquire the right to pension from this chosen fund when they reach the age required for a contributory-service and retirement-age pension under Article 68(1);
4. be entitled to receive only a life pension from this fund.

Entitlement to transfer pension rights to and from the pension schemes of the European Central Bank and the European Investment Bank

Article 343f. (New, SG No. 60/2011, effective 5.08.2011) (1) In case of transfer of pension rights from and to the pension schemes of the European Central Bank and the European Investment Bank, the provisions of Articles 343a to 343e shall apply accordingly.

(2) The group of people who shall be entitled to such transfers and the prerequisites and time limits to fulfil a transfer shall be governed by Conditions of Employment adopted by the Executive Board of the European Central Bank pursuant to Article 36 of the Statute of the European System of Central Banks and of the European Central Bank, or, respectively, by the Staff Pension Scheme Regulations 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 Board of Governors of the European Investment Bank pursuant to Article 7 of the Statute of the European Investment Bank.

Regulations

Article 343g. (New, SG No. 19/2010, previous Article 343f, amended, SG No. 60/2011, effective 5.08.2011) By an ordinance, the Council of Ministers shall determine:

1. the procedure governing the transfer of pension rights from and to the pension schemes of the European Union, the European Central Bank and the European Investment Bank;
2. the calculation method concerning the actuarial equivalent referred to in Item 1 of Article 343a(1);
3. the update method referred to in Item 1 of Article 343d(1).

PART THREE

(New, SG No. 67/2003)

COERCIVE ADMINISTRATIVE MEASURES AND ADMINISTRATIVE PENALTY LIABILITY

Chapter Thirty-Nine

(New, SG No. 67/2003)

COERCIVE ADMINISTRATIVE MEASURES

Types

Article 344. (1) (Supplemented, SG No. 19/2010) For the purpose of prevention and cessation of violations under Part Two and Part Two "A" of this Code and of the statutory instruments on the application thereof, for prevention and elimination of the harmful consequences of such violations, as well as where the exercise of supervisory activities is obstructed, untrue and misleading data are submitted or the interests of the insured persons or of the pensioners are jeopardized, the Deputy Chairperson of the Commission may apply the following coercive administrative measures:

1. issue mandatory prescriptions for undertaking of specific measures with a time limit established thereby;
2. (supplemented, SG No. 22/2015, effective 24.03.2015, repealed, SG No. 92/2017, effective 18.11.2018);
3. (repealed, SG No. 92/2017, effective 18.11.2018);
4. (repealed, SG No. 92/2017, effective 18.11.2018);
5. (repealed, SG No. 92/2017, effective 18.11.2018);
6. (repealed, SG No. 92/2017, effective 18.11.2018);
7. (repealed, SG No. 92/2017, effective 18.11.2018);
8. (repealed, SG No. 92/2017, effective 18.11.2018);
9. (repealed, SG No. 92/2017, effective 18.11.2018);
10. (repealed, SG No. 92/2017, effective 18.11.2018);
11. suspend the use and circulation of documents which have not been endorsed according to the relevant procedure;
12. suspend the circulation of advertisements and information materials, as well as the conduct of lotteries, if they do not satisfy the requirements Article 123i herein;
13. (repealed, SG No. 92/2017, effective 18.11.2018);
14. (repealed, SG No. 92/2017, effective 18.11.2018);
15. (new, SG No. 56/2006, repealed, SG No. 92/2017);
16. (new, SG No. 56/2006, repealed, SG No. 92/2017);
17. (new, SG No. 56/2006, repealed, SG No. 92/2017);
18. (new, SG No. 92/2017) impose temporary ban on the execution of the functions of a member of the management or supervisory body or of another person authorised to manage and/or represent the supplementary social insurance company;
19. (new, SG No. 92/2017) put the supplementary social insurance company under the obligation to limit its operating costs, including as a percentage of the total net income, where the requirements of Article 121c, Paragraphs (4), (11) and (12) herein are violated or there is an imminent danger of violating them.

(2) (Supplemented, SG No. 22/2015, effective 24.03.2015, amended, SG No. 92/2017) The Commission, acting on a motion

by the Deputy Chairperson of the Commission, may apply the following coercive administrative measures:

1. appoint a conservator in the cases provided for in this Code;
2. appoint for the account of the supplementary social insurance company in the cases specified in Paragraph (1):
 - a) a registered auditor;
 - b) an external independent expert to carry out a valuation of assets of a supplementary social insurance fund and/or the supplementary social insurance company;
 - c) an external independent expert to carry out an assessment of the management system of the company or separate functions of this system;
 - d) (effective 18.11.2018 – SG No. 92/2017) an actuary with a recognised legal capacity to perform an actuarial inspection;
3. in the cases specified in Paragraph (1), order in writing the dismissal of one or more persons authorised to manage and represent a supplementary social insurance company;
4. issue mandatory prescriptions for introduction of necessary revisions in the Rules of the supplementary social insurance funds and in the other internal instruments adopted by the supplementary social insurance company in accordance with the requirements of this Code and the statutory instruments on the application hereof;
5. prohibit the conclusion of new social insurance contracts for a specific period of time;
6. convene the general meeting of shareholders or schedule a meeting of the Management Board of Supervisory Board (the Board of Directors) for adoption of a decision on the measures that must be undertaken;
7. impose a written obligation on the retirement insurance company to increase its capital within a specified time limit;
8. prohibit temporarily the distribution of dividends;
9. obligate the supplementary social insurance company to terminate its contractual relationships thereof with a custodian bank, with an investment or with a social insurance intermediary if they do not satisfy the eligibility requirements provided for in this Code;
10. stay the execution of a decision or order of the governing bodies of the supplementary social insurance company which concerns the supplementary social insurance activity if the requirements of the statutory instruments on supplementary social insurance are breached by the said decision;
11. revoke a supplementary social insurance fund management authorisation;
12. restrict the activity of the retirement insurance company in the cases specified in Paragraph (1), prohibiting it to carry on specific transactions, activities and/or operations;
13. revoke a supplementary social insurance licence in the cases provided for in this Code;
14. bar a shareholder temporarily from exercising the voting power thereof, if the requirements of Article 121g (1) – (3) herein have been breached;
15. order a shareholder in writing to transfer the shares owner thereby within a specified time limit, if the requirements of Article 121g (1) – (3) herein have been breached;
16. prevent a retirement insurance company from accepting and managing resources under a relevant occupational scheme;
17. prohibit or restrict the cross-border activities of the retirement insurance company;
18. impose temporary ban on the execution of the functions of a member of the management or supervisory body or of another person authorised to manage and/or represent the supplementary social insurance company;
19. put the supplementary social insurance company under the obligation to limit its operating costs, including as a percentage of the total net income, where the requirements of Article 121c, Paragraphs (4), (11) and (12) herein are violated or there is an

imminent danger of violating them;

20. prevent the non-resident institution from managing an occupational scheme for the relevant sponsoring undertaking.

(3) The Commission may inform the public of the measures applied under Paragraphs (1) and (2) or of any activity which jeopardizes the interests of the insured persons or of the pensioners.

(4) (Amended, SG No. 92/2017) The measures under Paragraphs (1) and (2) shall be applied in respect of the controlled entities, the employees thereof, persons holding managerial positions in the supplementary social insurance company or persons authorised to conclude social insurance contracts and to receive applications for social insurance, as well as persons holding 10 per cent and more than 10 per cent of the capital of the company.

(5) (New, SG No. 92/2017) The measures specified in Paragraphs (1) and (2) shall also apply in the case of a breach of an instrument of a direct action body of the European Union which imposes obligations on the persons referred to in Paragraph (4) in connection with the supplementary social insurance activity.

(6) (Amended, SG No. 59/2006, renumbered from Paragraph (5), SG No. 92/2017) Upon systematic violations of this Code and of the statutory instruments on the application thereof by a custodian bank, the Commission may put recommend to the Bulgarian National Bank the application of measures under Article 103 (2) of the Credit Institutions Act.

(7) (New, SG No. 41/2007, renumbered from Paragraph (6), amended, SG No. 92/2017) Acting at the request of a supervisory body of the home Member State of a non-resident institution, the Commission may prevent a custodian bank established within the territory of the Republic of Bulgaria from executing an order by the said institution regarding any assets of the occupational scheme deposited by the said institution. In such a case, the Commission shall notify immediately the Bulgarian National Bank.

(8) (Renumbered from Paragraph 6, SG No. 41/2007, renumbered from Paragraph (7), SG No. 92/2017) Upon application of coercive administrative measures under Paragraphs (1) and (2), the provisions of the Administrative Procedure Code shall not apply regarding the explanations and objections of the parties concerned.

(9) (New, SG No. 92/2017, effective 18.11.2018) The procedure and manner for appointing the persons referred to in Item 2 of Paragraph (2) and the requirements for such persons shall be established by an ordinance of the Commission.

Proceedings

Article 345. (New, SG No. 67/2003) (1) (Amended, SG No. 22/2015, effective 24.03.2015, supplemented, SG No. 92/2017) Coercive administrative measures under Article 344 (1), Article 346 (1) herein shall be applied by means of a reasoned written decision issued by the Deputy Chairperson of the Commission, which shall be communicated to the party concerned within seven days after the rendition.

(2) Coercive administrative measures under Article 344 (2) herein shall be applied by means of a reasoned decision in writing adopted by the Commission, which shall be communicated to the party concerned within seven days after the rendition of the said decision.

Appeal

Article 346. (Amended, SG No. 22/2015, effective 24.03.2015) (1) The decision referred to in Article 345(1) herein shall be subject to administrative appeal before the Commission and to court appeal before the Supreme Administrative Court. Appeal shall not halt enforcement.

(2) Any decision under Article 345 (2) may be appealed against before the Supreme Administrative Court. Appeal shall not halt enforcement.

Coercive Administrative Measures Applicable to Non-resident Institution

Article 346a. (New, SG No. 56/2006, amended, SG No. 92/2017) (1) Upon non-compliance with the provisions of the Bulgarian labour and social legislation relevant to an occupational scheme, including provisions related to the investment activity and the disclosure of information, the Commission may order in writing the non-resident institution to discontinue and remove within a specified time limit the violations committed and the harmful consequences thereof.

(2) In the cases covered by Paragraph (1) the Commission can forbid the institution to manage the occupational scheme.

(3) The measures covered under Paragraphs (1) and (2) shall be applied in the presence of the circumstances referred to in Article 229d (3) and (4) herein.

Subsidiary Application

Article 346b. (New, SG No. 92/2017) Save insofar as any special rules are provided for in this Chapter, the provisions of the Administrative Procedure Code shall apply accordingly.

Chapter Forty **(New, SG No. 67/2003)** **CONSERVATOR**

Conservator

Article 347. (New, SG No. 67/2003) (1) The conservator shall be a natural person.

(2) (Amended, SG No. 92/2017, effective 18.11.2018) The conservator must satisfy the requirements of Article 121e, Paragraph (1) and Paragraph (5), Items 1 – 8 and 10 – 12 herein, as well as:

1. be not in any relations with the supplementary social insurance company or with any debtor of the said company giving rise to reasonable doubt as to the impartiality of the conservator;

2. (amended, SG No. 92/2017, effective 18.11.2018) not be a spouse, a lineal or collateral relative up to the fourth degree of consanguinity or an affine up to the third degree of affinity to any member of a managing or supervisory body of the supplementary social insurance company whose powers have been suspended by the act of appointment of the conservator, and not actually cohabit with any such person;

3. (repealed, SG No. 92/2017, effective 18.11.2018).

(3) (Supplemented, SG No. 103/2017, effective 1.01.2018) The conservator shall declare the circumstances under Paragraph (2) before the Commission, and the circumstances under Item 2 of Article 121e (2) for Bulgarian citizens shall be established ex officio. The conservator shall be obligated to inform the Commission immediately of any changes in the said circumstances.

Rights and Obligations of Conservator

Article 348. (New, SG No. 67/2003) (1) The powers of the Supervisory Board and of the Management Board or of the Board of Directors, as the case may be, of the supplementary social insurance company shall be suspended upon the appointment of a conservator and shall be exercised thereby, save insofar as the act of the appointment of the conservator provides for any restrictions.

(2) Any acts performed and transactions effected on behalf and for the account of the supplementary social insurance company without advance authorization from the conservator shall be void.

- (3) The conservator shall have unlimited access to the premises of the supplementary social insurance company, to the accounting and other documentation, and to the property of the said company.
- (4) The employees of the supplementary social insurance company shall be obligated to cooperate with the conservator upon the exercise of the powers thereof.
- (5) The conservator shall exercise the powers thereof with the care of sound stewardship and shall take all necessary measures for protection of the interests of the insured persons. The conservator shall be liable for any detriment wilfully inflicted thereby.
- (6) The conservator shall be accountable for the work thereof only to the Commission and, upon request, shall present a report thereto immediately.
- (7) The conservator shall receive a remuneration for the work thereof, which shall be fixed by the Commission and shall be for the account of the supplementary social insurance company.
- (8) The powers of the conservator shall be terminated after the appointment of a liquidator or of a trustee in bankruptcy.
- (9) The Commission may terminate the powers of the conservator at any time and appoint a replacement.
- (10) The Commission may issue mandatory directions to the conservation in connection with the work thereof.

Chapter Forty-One

(New, SG No. 67/2003)

ADMINISTRATIVE PENALTY LIABILITY

Section I

(New, SG No. 67/2003)

Liability for Violations of Provisions of Legislation Regarding Public Social Insurance

Grounds

Article 349. (New, SG No. 67/2003) (1) (Supplemented, SG No. 112/2003, SG No. 105/2005, amended, SG No. 105/2006, SG No. 99/2009, effective 1.01.2010, SG No. 100/2011, effective 1.01.2012) Any person who violates the provisions of Part One of this Code, of any statutory instruments on the application of the said provisions, or who fails to comply with a mandatory prescription of a control authority, shall be liable to a fine of BGN 100 or exceeding this amount but not exceeding BGN 2,000 for each individual case, and the insurers who are legal entities or sole proprietors a property sanction in the amount of BGN 500 or exceeding this amount but not exceeding BGN 2,000 for each individual case shall also be imposed.

(2) (Repealed, SG No. 105/2005).

(3) (New, SG No. 99/2009, effective 1.01.2010) Any social insurance contributor who fails to timely submit to the relevant territorial office of the National Social Security Institute documents with respect to payment of benefits for temporary disability, occupational rehabilitation or maternity, or who submits such documents with information incorrectly completed therein, shall be liable to a pecuniary sanction or penalty of BGN 500 up to BGN 2,000, unless subject to a severer sanction, and the culpable official, unless subject to a severer sanction, shall be liable to a pecuniary sanction or penalty of BGN 100 up to BGN 1,000 for each individual case.

(4) (Amended, SG No. 105/2005, supplemented, SG No. 105/2006, renumbered from Paragraph 3, SG No. 99/2009, effective 1.01.2010) Any person, who draws up any document making a false statement or provides untrue data under Article 5 (4) herein for the purpose of groundless receipt of social insurance payments, shall be liable to a fine of BGN 500 for each particular case, unless subject to a severer sanction.

(5) (Renumbered from Paragraph 4, amended, SG No. 99/2009, effective 1.01.2010) For a repeated violation under Paragraphs 1, 3 and 4, the culpable person shall be liable to a pecuniary sanction and/or penalty of two times the amount initially imposed.

Liability for Wrongful Custody of Documents on Contributory Service and Income

Article 349a. (New, SG No. 104/2005, effective 27.12.2005) (1) Any legal person, which fails to submit to the local division of the National Social Security Institute the original documents of dissolved social insurance contributors which have no legal successor, on the basis of which contributory service and contributory income are established, shall be liable to a pecuniary penalty of BGN 500 or exceeding this amount but not exceeding BGN 2,000.

(2) Any natural person, who fails to submit to the local division of the National Social Security Institute the original documents of dissolved social insurance contributors which have no legal successor, on the basis of which contributory service and contributory income are established, shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 1,000.

Ascertainment of Violations

Article 350. (New, SG No. 67/2003) (1) (Supplemented, SG No. 105/2006) Violations under Article 349 and Article 349a herein shall be ascertained by written statements drawn up by the control authorities of the National Social Security Institute.

(2) The penalty decrees shall be issued by the director of the local division of the National Social Security Institute or by an official authorized thereby.

(3) The ascertainment of violations, the issuance, appeal against and execution of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

Section II

(New, SG No. 67/2003)

Liability for Violation of Provisions of Legislation Regarding Supplementary Social Insurance

Liability for Violations of Statutory Framework

Article 351. (New, SG No. 67/2003, supplemented, SG No. 112/2003, SG No. 19/2010, amended, SG No. 92/2017, effective 18.11.2018) (1) Any person, who violates or allows a violation:

1. of Article 121e (15), Article 121h, Article 123d (1) – (4) and (6) – (16), Articles 123h, 135, 142a, Article 143 (3), Article 144 (5), Article 145 (3), Article 153, Articles 154, 173, Article 188 (1) and (2), Articles 216, 216a, Article 218 (4), Articles 223, 224, Article 229 (5), Article 229a (4), Article 229c, Article 230 (5) and (6), Articles 231, 233, Article 235 (3), Article 235a, Article 236 (1) and (2), Articles 237, 238, 239, 240, 248, 248a, 248b, 317, Article 326 (2), Article 327 (3), Article 330 and Article 331 (5), shall be liable to a fine of BGN 700 or exceeding this amount but not exceeding BGN 10,000;

2. of Article 121f(3), Article 122a (4), Article 122i(1), Article 122k, Article 123 (1), Articles 123c, 123f, Article 123f(1) – (9), Article 123g, Article 123i(1) – (5), Article 123i, Article 129 (1) – (8), (10) and (11), Articles 131, 139, 142, 169, 169a, 169b, 170, 175, 175a, 176, 177, 177a, 178, 179, 179a, Article 179b (1) and (2), Article 179c, Article 180 (1), Articles 180a, 180c, Article 181 (1), Article 185 (1) and (2), Articles 186, 186a, 187, Article 187a (1), Articles 190, 192, Article 193 (5) – (11), Articles 201, 202, 212, Article 213 (1) – (4), Article 213a (1), (2), (4) and (5), Article 213b, Article 229d (1), Article 234 (1) – (8) and (10) – (13), Articles 241, 241a, 245, Article 246 (1) – (6), Articles 249, 251, 251a, 251b, 251c, 252, Article 256 (1), Articles 257, 258, 319, Article 325 (2), Articles 332, 336, Article 340 (1) and (2), Article 342, Article 347 (3) and Article 348 (3) – (7), shall be liable to a fine of BGN 1,500 or exceeding this amount but not exceeding BGN 20,000;

3. of Article 121 (1) – (5), Articles 121a, 121b, Article 121c (1) – (6), (8) and (10) – (14), Article 121d, Article 121f(2) and (4), Article 121g (3) and (5), Articles 122g, 123a, 123b, 123e, 126, Article 154a (1), Article 203, Article 209 (3), Article 226 (1), Article 259 and Article 322 (7), shall be liable to a fine of BGN 3,000 or exceeding this amount but not exceeding BGN 40,000;

4. outside the cases specified in Item 1, 2 or 3 of Part Two and Part Two ‘A’ herein, of the statutory instruments on the application of this Code and/or of an instrument of a direct action body of the European Union which imposes obligations in the performing of the supplementary social insurance activity, shall be liable to a fine of BGN 700 or exceeding this amount but not exceeding BGN 10,000.

(2) In the event of a repeated violation covered under Paragraph (1), the offender will be liable to a fine in an amount as follows:

1. for any violations covered under Item 1 of Paragraph (1): BGN 2,000 or exceeding this amount but not exceeding BGN 20,000;

2. for any violations covered under Item 2 of Paragraph (1): BGN 4,000 or exceeding this amount but not exceeding BGN 40,000;

3. for any violations covered under Item 3 of Paragraph (1): BGN 8,000 or exceeding this amount but not exceeding BGN 80,000;

4. for any violations covered under Item 4 of Paragraph (1): BGN 1,000 or exceeding this amount but not exceeding BGN 20,000.

(3) Any legal person who commits an offence under Paragraph (1) shall be liable to a pecuniary penalty in the following amounts:

1. for any violations covered under Item 1 of Paragraph (1): BGN 10,000 or exceeding this amount but not exceeding BGN 50,000, and, for a repeated violation, BGN 30,000 or exceeding this amount but not exceeding BGN 100,000;

2. for any violations covered under Item 2 of Paragraph (1): BGN 20,000 or exceeding this amount but not exceeding BGN 100,000 and, for a repeated violation, BGN 40,000 or exceeding this amount but not exceeding BGN 200,000;

3. for any violations covered under Item 3 of Paragraph (1): BGN 40,000 or exceeding this amount but not exceeding BGN 200,000 and, for a repeated violation, BGN 80,000 or exceeding this amount but not exceeding BGN 400,000;

4. for any violations covered under Item 4 of Paragraph (1): BGN 5,000 or exceeding this amount but not exceeding BGN 50,000 and, for a repeated violation, BGN 15,000 or exceeding this amount but not exceeding BGN 100,000.

(4) Any person, who provides or allows the provision of false information in connection with the implementation of the social insurance supervision, shall be liable to a fine of BGN 10,000 or exceeding this amount but not exceeding BGN 50,000, where the act committed does not constitute a criminal offence.

(5) For a violation under Paragraph (4), a retirement insurance company shall be imposed a pecuniary sanction amounting from BGN 20,000 to BGN 150,000.

(6) Any person who or which carries out activities as a social insurance intermediary without a concluded contract with a retirement insurance company shall be imposed:

1. a fine amounting from BGN 1,500 to BGN 10,000 – for natural persons;

2. a pecuniary sanction amounting from BGN 4,000 to BGN 50,000 – for legal persons and sole traders.

(7) Any income accrued from wrongfully performed activity shall be forfeited to the State to the extent to which the said income cannot be restituted to the injured parties.

Liability for Non-compliance with Coercive Administrative Measure

Article 352. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) Any person, who fails to comply with a coercive administrative measure applied by the Commission or by the Deputy Chairperson of the Commission, shall be liable to a fine of BGN 4,000 or exceeding this amount but not exceeding BGN 20,000.

(2) (Amended, SG No. 92/2017) For any violations under Paragraph (1), legal persons shall be liable to a pecuniary penalty of BGN 40,000 or exceeding this amount but not exceeding BGN 100,000.

Liability for Operation without Licence

Article 353. (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) Any legal person, which carries out supplementary retirement insurance activity without holding a licence and supplementary social funds management authorisations, shall be liable to a pecuniary penalty of BGN 20,000 or exceeding this amount but not exceeding BGN 150,000.

(2) (Amended, SG No. 92/2017) Any person, who intentionally creates conditions for conclusion of social insurance contracts

with a legal person not holding a licence and supplementary social insurance funds management authorisations, shall be liable to a fine of BGN 5,000 or exceeding this amount but not exceeding BGN 50,000.

Liability for non-payment of pecuniary sanctions under penal decrees

Article 353a. (New, SG No. 92/2017) A person, who, within a 1-month time limit from the entry into force of a penal decree, fails to pay the pecuniary sanction imposed on him or her, shall owe interest at the legitimate interest rate for the time period from the date following the date of expiry of the 1-month time limit to the date of payment.

Written Statements, Penalty Decrees and Appeal

Article 354. (New, SG No. 67/2003) (1) (Supplemented, SG No. 19/2010) The violations of the provisions of Part Two and Part Two "A" of this Code shall be ascertained by written statements drawn up by officials authorized by the Deputy Chairperson of the Commission.

(2) The penalty decrees shall be issued by the Deputy Chairperson of the Commission or by an official authorized thereby.

(3) The ascertainment of violations, the issuance, appeal against and execution of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

Section III

(New, SG No. 67/2003)

Liability for Non-fulfilment of Obligations to Declare Data to National Revenue Agency and to Remit Compulsory Social Insurance Contributions

Article 355. (New, SG No. 105/2005) (1) (Amended, SG No. 105/2006, SG No. 99/2009, effective 1.01.2010, SG No. 94/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016, supplemented, SG No. 98/2016, effective 1.01.2017)

Any person who violates the provisions of Article 5(4) and Article 6(9) as well as the statutory instruments regulating their application, as well as persons who fail to submit or do not submit within the deadline a declaration containing the data specified in Article 5, Paragraph 4, or a declaration by a self-insured person, shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 500 with respect to natural persons who are not traders, and a fine of BGN 500 or exceeding this amount but not exceeding BGN 5,000 with respect to sole traders and legal persons, unless subject to a severer sanction.

(2) (Supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 98/2016, effective 1.01.2017) Any person, who draws up any document making a false statement or provides untrue data under Article 5 (4) herein for the purpose of avoiding the payment of mandatory social insurance payments, shall be liable to a fine of BGN 50 or exceeding this amount but not exceeding BGN 250 for each particular case, unless subject to a severer sanction.

(3) (Supplemented, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 94/2012, effective 1.01.2013).

(4) (Amended, SG No. 99/2009, effective 1.01.2010) For a repeated violation under Paragraph 1, the culpable person shall be liable to a fine of BGN 500 or exceeding this amount but not exceeding BGN 2,000, or a pecuniary sanction of BGN 1,000 for each individual case, but not exceeding BGN 10,000; for a repeated violation under Paragraph 2, the culpable person shall be liable to a fine of BGN 500 for each individual case, but not exceeding BGN 10,000.

(5) The written statements ascertaining the administrative violations shall be drawn up by the authorities of the National Revenue Agency, and the penalty decrees shall be issued by the Executive Director of the National Revenue Agency or an official designated thereby.

(6) The ascertainment of violations, the issuance, appeal against and execution of penalty decrees shall follow the procedure established by the Administrative Violations and Sanctions Act.

SUPPLEMENTARY PROVISIONS

(Title amended, SG No. 21/2012)

§ 1. (Amended and supplemented, SG No. 64/2000, amended, SG No. 1/2002, SG No. 67/2003) (1) Within the meaning given by Part One of this Code:

1. "Enterprise" shall be any place where work is performed by hired workers.

2. (Amended, SG No. 105/2006, supplemented, SG No. 99/2009, effective 1.01.2010) "Net remuneration" shall be the remuneration obtained by debiting the remuneration as paid or charged with the compulsory social insurance contributions, determined by statute, for the account of the persons and with the taxes under the Income Taxes on Natural Persons Act. Where remunerations have not been charged in the accounts, the minimum contributory income under Article 6(2)(3), or the minimum employment salary for Bulgaria where no minimum contributory income is set, is what shall be taken into account when determining the cash benefits, until the remuneration is charged in the accounts.

3. (New, SG No. 105/2006, amended, SG No. 99/2009, effective 1.01.2010, SG No. 98/2016, effective 1.01.2017) "Insured person" shall be a natural person who performs labour activities in respect of which the said person is subject to compulsory social insurance under Article 4 and Article 4a (1) herein and for whom social insurance contributions have been paid or become due. Social insurance in respect of any person who has commenced labour activities as per Article 10 shall also continue during the periods referred to in Items 1, 2, 3 and 5 of Article 9(2). Self-secured persons are considered to be insured for the time for which they have paid the insurance contributions due under Article 6, Paragraph 8, and persons referred to in Article 4a are considered to be insured for the time for which the insurance contributions due have been remitted.

4. (Renumbered from Item 3, SG No. 105/2006, supplemented, SG No. 98/2015, effective 1.01.2016) The consolidated budget of public social insurance shall comprise the budgets of the Pensions Fund, the Pensions of Individuals under Article 69 Fund, the common disease and Maternity Fund, the Employment Injury and Occupational Disease Fund, the Unemployment Fund, the Non-Work-Contingent Pensions Fund, and the budget of the National Social Security Institute.

4a. (New, SG No. 107/2014, effective 1.01.2015, amended, SG No. 98/2016, effective 1.01.2017) "The consumer price index" under Article 100 is the Harmonised Index of Consumer Prices.

5. (Amended, SG No. 12/2003, renumbered from Item 4, SG No. 105/2006, amended, SG No. 12/2015) "Registered farmers and tobacco producers" shall be the natural persons who produce plant and/or animal production intended for sale and who are registered according to the established procedure.

5a. (New, SG No. 99/2009, effective 1.01.2010) "Maritime person" shall be any natural person who holds a position under an employment relationship as a crew member of a vessel registered in the ship register of a Member State of the European Union, notwithstanding whether the person is onshore or on board the vessel, a marine licence and a certificate of additional and/or specialised qualification obtained as per the procedure laid down in the ordinance under Article 87(1) of the Merchant Shipping Code.

6. (Renumbered from Item 5, SG No. 105/2006) "Related parties" shall be:

(a) any two persons of whom one participates in the management of the other or of a subsidiary of the other;

(b) any number of persons whose managing or supervisory body has, as a member, one and the same legal or natural person, even where the legal person is a representative of another legal person;

(c) (amended, SG No. 104/2005) any corporation or natural person owning more than 50 per cent of the voting interests or shares in the company;

(d) any number of persons whereof the activity is controlled by a third party or by a subsidiary of a third party;

(e) any number of persons who jointly control a third party or a subsidiary of a third party;

(f) any partners, including in companies under Article 357 of the Obligations and Contracts Act.

7. (Renumbered from Item 6, SG No. 105/2006, amended, SG No. 98/2015, effective 1.01.2016) "Control", within the meaning given by Item 6, shall be exercised where the controlling party:

(a) holds, including through a subsidiary or by virtue of an agreement with another party, more than 50 per cent of the number of votes in the General Meeting of a company or another legal person, or

(b) is able to appoint, whether directly or indirectly, more than one half of the members of the managing body of a legal person.

8. (Renumbered from Item 7, SG No. 105/2006) "Social insurance contributions in significant amounts" shall be such contributions exceeding BGN 3,000.

9. (New, SG No. 112/2003, renumbered from Item 8, SG No. 105/2006) "Unprocessed plant and animal production" shall be any primary product obtained from plants and animals which is used in its natural form, without being subject to technological processing and treatment, as a result of which any physico-chemical changes have occurred in the composition.

10. (New, SG No. 19/2010) "Minimum wage rates" shall be the rates laid down by the national legislation and/or by the practice of the host country.

11. (New, SG No. 100/2011, effective 1.01.2012, amended, SG No. 106/2013, effective 1.01.2014, supplemented, SG No. 98/2015, effective 1.01.2016) "Contributory-service and retirement-age pension" under Section III of Chapter Four shall be a pension under Article 68, Article 69, Article 69a, Article 69b, Article 69c and § 4 and 5 of the Transitional and Final Provisions.

12. (New, SG No. 107/2014, effective 1.01.2015) "Active service" shall be the actually served time under an employment or public service relationship, the time during which the person has worked in another legal relationship and was compulsorily insured for disability, old age and death, and the time during which the person was subject to compulsory security for their own account and has paid the social security contributions due.

13. (New, SG No. 98/2016, effective 1.01.2017) "Exercise of the entitlement to unemployment benefits" shall be the existence of a period with respect to which a granted cash unemployment benefit has been paid.

14. (New, SG No. 98/2016, effective 1.01.2017) "Fully public-financed child institutions" shall mean institutions where children are provided with housing, food and clothes at the expense of the state budget and the municipal budgets without the payment of a fee.

(2) Within the meaning given by Part Two of this Code:

1. "Pension scheme" shall be a specific financial mechanism for determining pension obligations and payments calculated using statistical (actuarial) methods.

1a. (New, SG No. 56/2006) "Occupational scheme" shall be rules for supplementary voluntary retirement insurance stipulated in a collective bargaining agreement or in a collective employment contract between the sponsoring undertaking and the persons referred to in Article 4 (1) and Items 5 and 6 of Article 4 (3) herein.

2. "Statistical (actuarial) methods" shall be a set of statistical methods and rules which are applied for the purpose of determining the expected revenues from future contributions and investments, as well as for determining the amounts due for payment of future pensions from the retirement insurance company.

2a. (New, SG No. 56/2006) "Collective bargaining agreement" shall be any agreement reached between the parties to an occupational scheme and having as a subject the regulation of the rights and obligations under any such scheme.

3. (Amended and supplemented, SG No. 17/2006, amended, SG No. 61/2015, effective 12.08.2016, SG No. 92/2017, effective 18.11.2018) "Related parties" shall be:

a) legal entities for which one of the following conditions is met:

aa) they are a parent undertaking and/or subsidiaries from the same group (i.e. each parent undertaking, subsidiary and another

subsidiary is related to the others);

bb) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a parent undertaking or a subsidiary from a group of which the other entity is a parent undertaking or a subsidiary;

cc) both entities are joint ventures of the same third party;

dd) one entity is a joint venture of a third entity and the same third entity has a holding in the other entity;

ee) one entity is controlled or jointly controlled by a natural person whose relationships with the other entity are as described in "b";

ff) with respect to one entity, a natural person whose relationships with the other entity are as described in "b", "aa", has significant influence or is a member of the management personnel of the first entity or in its parent undertaking;

b) a legal entity and a natural person, if the natural person or a close member of that person's family:

aa) has control or joint control over the legal entity;

bb) has significant influence over the legal entity; or

cc) is a member of the management personnel of the legal entity or of the parent undertaking of the legal entity.

Within the meaning of letter "a", "bb" – "dd", a "joint venture" shall be a company over which the person in question has joint control together with another person; the subsidiaries of the joint venture shall also be regarded as joint ventures.

Within the meaning of letter "b", "close members of a person's family" shall be family members who can influence or be influenced by this person in its dealings with the legal entity, including that person's children and spouse or domestic partner, the children of that person's spouse or domestic partner, and dependants of that person or that person's spouse or domestic partner.

Within the meaning of letter "a", "ff", and letter "b", "bb", "significant influence" shall exist where the person in question holds directly and/or through controlled person(s) 20 or more than 20 per cent of the capital or of the votes in the general meeting of the legal entity, where the total amount of the holding amounts to the sum of the directly held votes and the votes held by the controlled persons.

Within the meaning of letter "a", "ee", and letter "b", "aa", "joint control" shall be the contractually agreed sharing of control over the activity of the legal entity and shall exist where the unanimous consent of the persons who share the control is required to make decision about this activity.

3a. (New, SG No. 92/2017, effective 18.11.2018) "Close links" are present when two or more natural persons or legal entities are related through control or participation or when two or more natural persons or legal entities are permanently related to the same person through control relationships. In the cases specified in Article 177, Paragraph (1), Item 2 and Paragraph (2), Items 4 and 5, the definition of the persons who or which have close links pursuant to the first sentence shall be limited to legal entities and shall be made based on publicly available information.

3b. (New, SG No. 92/2017, effective 18.11.2018) "Participation" exists where one person holds, whether directly or indirectly, 20 per cent or more than 20 per cent of the capital or of the votes in the general meeting of a company.

4. (Amended, SG No. 17/2006, SG No. 61/2015, effective 12.08.2016) "Control" exists where a natural person or legal entity (the controlling party):

a) (amended, SG No. 92/2017, effective 18.11.2018) is able to exercise, either directly or indirectly, more than half of the votes in a legal entity's general meeting, or

b) is able to appoint more than half of the members of a legal entity's managing or supervisory body and is at the same time a shareholder in such entity, or

c) has the power of exerting decisive influence on a legal entity pursuant to a contract concluded therewith or to its memorandum or articles of association, where this is allowed by the legislation applicable in respect of such legal entity, or

d) is a shareholder in a company, and:

aa) more than half of the members of legal entity's managing or supervisory body who have performed their relevant duties in the previous and the current financial year until the date of the consolidated financial statements have been appointed exclusively as a result of such person or entity exercising the voting rights thereof, or

bb) pursuant to a contract with other shareholders in such legal entity, independently controls more than half of the votes in its general meeting, or

e) by virtue of a law, instrument of incorporation or agreement manages, represents and/or determines the investment policy of another person.

(Amended, SG No. 92/2017, effective 18.11.2018) In the cases referred to in letters (a), (b) and (d), the following shall be added to the votes held by the controlling party:

aa) the votes held by the legal entity controlled by the controlling party;

bb) the votes held by the persons acting in their own name but for the account of the controlling party or for the account of a legal entity controlled thereby;

cc) the indirectly held votes in the capital of the legal entity with regard to which control is considered, calculated as the product of the controlling party's holding in the capital of the indirect holder, and the holding of that person in the capital of the legal entity with regard to which control is assessed, and:

aaa) where more than one intermediary exists in the line of indirect holding, the product shall also include the holding of the respective intermediary in the capital of the other person;

bbb) in the case of indirect holding along more than one line, the sum total of the votes held indirectly by the controlling party in the capital of the legal entity, with regard to which control is assessed, along each line shall be used.

In the cases referred to in letters (a), (b) and (d), the number of votes held by the controlling party shall exclude the votes pertaining to shares held at the expense of a person or entity which is neither the controlling party, nor a legal entity controlled thereby, and the votes pertaining to pledged shares, where the rights pertaining thereto are exercised based on the pledgor's instructions and in the pledgor's interest.

In the cases referred to in letters (a) and (d), the number of votes held by the controlling party shall exclude the votes pertaining to shares held by the controlled entity itself through a person or entity controlled by the controlled entity or through a person or entity acting on his/her/its own behalf but at the controlling party's expense or at the expense of the person or entity controlled by the controlling party.

4a. (New, SG No. 92/2017, effective 18.11.2018) "Parent undertaking" shall mean a legal person which exercises control over one or more undertakings (subsidiary undertakings).

4b. (New, SG No. 92/2017, effective 18.11.2018) "Subsidiary" shall mean a legal entity controlled by another legal entity (parent company); legal entities which are subsidiaries to a subsidiary shall also be considered subsidiaries of the parent company.

4c. (New, SG No. 92/2017, effective 18.11.2018) "Group" means a group of undertakings, which consists of

a) a parent undertaking and its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, or

b) undertakings managed jointly by virtue of a contract or their constituent acts or articles of association, or

c) undertakings in which more than half of the members of their management or supervisory bodies are the same persons in the respective financial year and until the date of preparation of the consolidated accounts.

4d. (New, SG No. 92/2017, effective 18.11.2018) "Persons acting in agreement" shall be two or more persons, where, in view of the nature of the relations among them or between any of them and a third party, according to their market behaviour or the trade transactions executed thereby, it could reasonably be assumed that they exercise or would exercise the rights associated with their direct or indirect shareholding in the supplementary social insurance company in accordance with an

explicit or tacit agreement among them.

4e. (New, SG No. 92/2017, effective 18.11.2018) "Qualified holding" shall be any direct or indirect holding, amounting to 10 per cent or over 10 per cent of the capital or of the voting rights in the general meeting, as set out in Articles 145 and 146 of the Public Offering of Securities Act, or which makes it possible to exercise a significant influence over the management of the company. When the amount of the qualified holding is determined, the voting rights or shares which investment intermediaries or banks hold as a result of providing the services referred to in Article 5, Paragraph (2), Item 6 of the Markets in Financial Instruments Act shall not be taken into account, provided that such rights are not exercised or otherwise used for the purpose of exerting influence on the supplementary social insurance company's management, provided also that such rights are transferred within one year after acquisition.

5. (Repealed, SG No. 92/2017, effective 18.11.2018).

6. (Repealed, SG No. 92/2017, effective 18.11.2018).

7. (Supplemented, SG No. 92/2017, effective 18.11.2018) "Technical interest rate" shall be the interest rate which is applied upon calculation of the amount of pensions and of pension and technical reserves.

8. (Repealed, SG No. 56/2006).

9. (Amended, SG No. 92/2017, effective 18.11.2018) "Systematic violations" shall be three or more administrative violations under this Code or under the statutory instruments for its application, committed within one year, or three and more administrative violations of the same kind, committed within three consecutive years.

10. "Third-party social insurance contributor" shall be a natural or legal person who or which makes social insurance contributions to a supplementary voluntary retirement insurance fund in favour of a natural person wherewith the said contributor is not in an employment or civil-service relationship or wherewith the said contributor has not concluded a contract commissioning control or management.

11. (Supplemented, SG No. 56/2006, amended, SG No. 92/2017, effective 18.11.2018) "Insured person" shall be a natural person in whose name and on whose individual account social insurance contributions for a supplementary pension have been remitted or are remitted to a supplementary retirement insurance fund or to a fund for supplementary voluntary retirement insurance under occupational schemes under terms and according to a procedure established by a law, the rules of organisation and operation of the fund and the social insurance contract, a collective bargaining agreement or a collective employment contract.

11a. (New, SG No. 56/2006) "Sponsoring undertaking" shall be a social insurance contributor, within the meaning given by Article 5 herein, or any undertaking or any other organization which includes or consists of one or more natural or legal persons, which acts as an employer, a commissioning entity or in a self-employed capacity or combines these three capacities and which pays contributions into an institution for occupational retirement insurance, and in respect of which the labour and social legislation of another Member State is applicable.

12. "Pensioner" shall be a natural person who receives a personal or a survivor supplementary pension from a supplementary retirement insurance fund.

13. "Supplementary pension" shall be a lifelong or fixed-period monthly payment from a supplementary retirement insurance fund to a pensioner, to survivors of an insured person or to survivors of a pensioner.

14. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) "Secured corporate bonds" shall be a bond issue covered by a security pursuant to Article 100h (1) of the Public Offering of Securities Act in an amount of not less than 110 per cent of the claims on principal.

15. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) "Repurchase transaction" and "reverse repurchase transaction" shall be any agreement whereupon financial instruments are transferred assuming a commitment to repurchase the said financial instruments (or to exchange the said financial instruments for financial instruments of the same characteristics) at a set price on a set future date or on a date as the transferor shall determine. Any such agreement shall be a "repurchase transaction" in respect of the party selling the financial instruments and a "reverse repurchase transaction" in respect of the party that purchases the said financial instruments.

16. (New, SG No. 17/2006, amended, SG No. 77/2011, SG No. 92/2017, effective 18.11.2018) "Collective investment scheme" shall be:

a) an undertaking within the meaning given by Item 10 of § 1 of the Supplementary Provisions of the Collective Investment Schemes and Other Undertakings for Collective Investments Act;

b) a collective investment undertaking within the meaning given by Item 5 of Article 38 (1) of the Collective Investment Schemes and Other Undertakings for Collective Investments Act.

17. (New, SG No. 17/2006, repealed, SG No. 92/2017, effective 18.11.2018).

18. (New, SG No. 17/2006, repealed, SG No. 92/2017, effective 18.11.2018).

19. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) "Option" means a derivative financial instrument which represents the holder's right to buy or sell a specified number of securities or other financial instruments at a price fixed in advance within a stated time period or on a specified future date.

20. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) "Financial-futures contract" means a derivative financial instrument which represents the holder's right and obligation to buy or sell a specified number of securities or other financial instruments at a fixed price in advance on a specified future date.

21. (New, SG No. 17/2006) "Forward exchange rate contract" shall be a contract for purchase and sale of a specified amount of foreign currency at a fixed future date at a pre-agreed exchange rate and conditions of execution.

22. (New, SG No. 17/2006, amended, SG No. 92/2017, effective 18.11.2018) "Investment property" shall mean an investment property within the meaning of International Accounting Standard 40.

23. (New, SG No. 17/2006) "Interest-rate swap" shall be a contract between two parties for exchange of interest payments based on a conventional principal for a specified period of time.

24. (New, SG No. 56/2006) "Member State" shall be a Member State of the European Union or any other Contracting Party to the Agreement on the European Economic Area.

25. (New, SG No. 56/2006) "Non-resident institution" shall be any organization in a Member State, irrespective of its legal form, which:

(a) is established separately from the employer;

(b) carries out activities directly related to retirement insurance;

(c) operates on fully funded principle, and

(d) provides retirement benefits in the context of an occupational activity on the basis of an agreement or a contract agreed individually or collectively:

(aa) between the employer (employers) and the worker (workers) or their respective representatives;

(bb) with self-employed persons, according to the legislation of the home Member State and in accordance with Bulgarian legislation.

26. (New, SG No. 56/2006) "Home Member State" shall be the Member State in which the institution is registered and has its main administration, or in the cases where it is not registered, where the institution has its main administration.

27. (New, SG No. 56/2006) "Host Member State" shall be the Member State whose social and labour legislation relevant to the field of retirement insurance systems is applicable to the relationships between the sponsoring undertaking and the insured persons.

28. (New, SG No. 56/2006) "Biometrical risks" shall be the risks linked to death or longevity and, in respect of cross-border occupational schemes, to the risk of disability as well.

29. (New, SG No. 41/2009, effective 2.06.2009) "Infrastructure projects" shall be projects for development and construction

of highway infrastructure and first class auto transport and rail infrastructure; airports; ports; communication systems; facilities for production and transmission of energy and energy resources; water supply, sewerage and waste water facilities; facilities for storage and processing of domestic and construction waste, as well as other projects intended to create new infrastructure and improve existing infrastructure at national, regional or municipal level in Bulgaria or other EU Member State.

30. (New, SG No. 99/2009, effective 1.01.2010) "Maritime person" shall be any natural person who holds a position under an employment relationship as a crew member of a vessel registered in the ship register of a Member State of the European Union, notwithstanding whether the person is onshore or on board the vessel, a marine licence and a certificate of additional and/or specialised qualification obtained as per the procedure laid down in the ordinance under Article 87(1) of the Merchant Shipping Code.

31. (New, SG No. 92/2017, effective 18.11.2018) "Managerial position" shall be a position:

a) held as a member of a management, supervisory or managerial body of a legal entity appointed by virtue of a law, a statute or another structural instrument, as well as a managerial agent of such entity;

b) which includes the performance of functions of management and/or control of a structural unit, directly related to the performance of the principal activity and functions of an institution or to the main subject matter of a company or person according to their internal structure.

32. (New, SG No. 92/2017, effective 18.11.2018) A "regulated market" is a market within the meaning of Article 73 of the Markets in Financial Instruments Act.

33. (New, SG No. 92/2017, effective 18.11.2018) "Legal entity identifier" is a 20-character alphanumeric code that allows unique identification of the legal entities operating in global financial markets.

(3) (New, SG No. 19/2010) Within the meaning given by Part Two "A" of this Code:

1. (Amended, SG No. 60/2011, effective 5.08.2011) "EU pension schemes" shall mean the pension schemes governed by the Staff Regulations of Officials of the European Union and the Conditions of employment of other servants of the European Union.

2. (Amended, SG No. 60/2011, effective 5.08.2011) "Institution or body of the European Union" shall mean 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 retirement pension rights" shall be the current amount of all future retirement pension payments which the relevant insured person would receive upon his/her retirement and which correspond to the insured person's length of contributory service.

(4) (Renumbered from Paragraph 3, SG No. 19/2010) Within the meaning given by Part Three of this Code:

1. "Repeated violation" shall be any violation committed within one year after the entry into effect of the penalty decree whereby the offender was penalized for a violation of the same type.

§ 1a. (New, SG No. 21/2012) 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) (OJ, L 331/120 of 15 December 2010).

7. (New, SG No. 58/2012, effective 1.08.2012) 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 (OJ, L 180/1 of 15 July 2010).

8. (New, SG No. 22/2015, effective 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).

TRANSITIONAL AND FINAL PROVISIONS

§ 2. (1) Any persons whose employment relationships were terminated prior to the 31st day of December 1999 and who have acquired entitlement to pension under the Pensions Act as superseded, may retire until 30th day of June 2000 under the terms established by the repealed Act if this is more favourable for the said persons.

(2) Cash benefits to any persons who are on leave for temporary disability or for pregnancy and child-birth at the 1st day of January 2000 shall be paid in the amounts and for the durations under Title Three of the Labour Code of 1951 as superseded, if this is more favourable for the said persons.

(3) (Amended, SG No. 74/2002) Upon calculation of the cash benefits for temporary disability or for pregnancy and child-birth of persons insured under Item 3 of Article 4 (1) herein, the remuneration received for the relevant position until the 31st day of December 1999 inclusive shall be taken into consideration.

§ 3. (1) (Previous text of § 3, SG No. 64/2000) Until the 31st day of December 2003 inclusive, any persons under Articles 6 and 7 of the Pensions Act as superseded may retire under the terms established by the provisions of the said articles.

(2) (New, SG No. 64/2000) Any commissioned and non-commissioned officers under Article 7 of the Pensions Act as superseded, whose ranks are abolished and who acquire the status of civil servants who are civilians, according to § 89 (1) of the Transitional and Final Provisions of the Act to Amend the Ministry of Interior Act (State Gazette No. 29 of 2000), may retire under the terms and within the time limit under Paragraph 1. At retirement, the length of service of any such persons shall count as length of service logged in commissioned and non-commissioned officer positions.

(3) (New, SG No. 67/2003) Any commissioned and non-commissioned officers of the Ministry of Interior, who until the 31st day of December 2003 have logged the length of service required for acquisition of entitlement to pension under Article 7 of the Pensions Act as superseded, may retire under the terms established by the said article until the 31st day of December 2005. Pension shall be granted as from the date of the discharge in compliance with the provision of Article 94 herein.

§ 4. (1) (Amended, SG No. 64/2000, SG No. 33/2008, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 111/2013, effective 1.01.2014, SG No. 107/2014, effective 1.01.2015) Prior to 31 December 2015 inclusive, any persons who have worked for ten years under the conditions of Work Category I or for fifteen years under the conditions of Work Category II may retire upon reaching the age of 47 years and 8 months for women and 52 years and 8 months for men in Work Category I and 52 years and 8 months for women and 57 years and 8 months for men in Work Category II, if the sum of their contributory service and age totals 94 for women and 100 for men.

(2) (Amended, SG No. 64/2000, SG No. 33/2008, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) Prior to the 31 December 2015 inclusive, any persons who have logged ten years of contributory service under the conditions laid down in Article 104(3) may retire before attainment of the age under Article 68 herein subject to the condition that the sum total of the age and contributory service thereof equals 90 and they have attained the age of 52 years for men and 47 years for women.

(3) (New, SG No. 64/2000, amended, SG No. 38/2005, effective 1.01.2005, SG No. 33/2008, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015) Prior to 31 December 2015 inclusive, if the employment contract of persons who work under the conditions laid down in Article 104(3) is terminated in pursuance of Items 1 and 2 of Article 328(1) of the Labour Code, the persons concerned may retire no earlier than the date when they attain the age of 45 if the sum of their contributory service and age totals 90 and their contributory service under the conditions laid down in Article 104(3) is 10 years.

(4) (Renumbered from Paragraph 3, SG No. 64/2000, amended, SG No. 1/2002, repealed, SG No. 100/2010, effective 1.01.2011).

(5) (New, SG No. 38/2005, amended, SG No. 106/2013, effective 1.01.2014) For the purposes of assessing the entitlement to pension under Paragraph 1, the contributory service within Work Category I shall supplement the contributory service within Work Category II without transformation.

(6) (New, SG No. 60/2011, effective 18.06.2011) Where the persons referred to in Paragraphs 1, 2 and 3 apply for a pension from the public social insurance system, they shall submit, along with the pension request, an application requesting that the funds in their individual account with the occupational pension fund be transferred to the Pensions Fund of the public social insurance system. The transfer application shall be submitted through a local division of the National Social Security Institute to the relevant retirement insurance company managing the retirement insurance fund, together with the request for a pension from the public social insurance system. Within 7 days after the pension is granted, the local division of the National Social Security Institute shall forward the request to the retirement insurance company.

(7) (New, SG No. 60/2011, effective 18.06.2011) In the cases referred to in Paragraph 6, the retirement insurance company shall transfer the funds to the Pensions Fund of the public social insurance system within one month after receiving the request. Where there are no accumulated funds in the relevant individual account, the retirement insurance company shall notify the National Social Security Institute thereof.

§ 4a. (New, SG No. 100/2010, effective 1.01.2011, declared unconstitutional by the Constitutional Court of the Republic of Bulgaria - SG No. 45/2011)

(1) The resources available on 1 January 2011 in the individual accounts of women born from 1 January 1955 to 31 December 1959 (inclusive) and men born from 1 January 1952 to 31 December 1959 (inclusive) who were insured in an occupational pension fund prior to 31 December 2010 shall be transferred to the Pensions Fund of the public social insurance.

(2) Prior to 31 January 2011, the Financial Supervision Commission shall prepare information about the resources available on 31 December 2010 in the individual accounts of persons under Paragraph 1 and submit it to the Minister of Finance, the Governor of the National Social Security Institute and the Executive Director of the National Revenue Agency.

(3) Before the information under Paragraph 2 is prepared, the Governor of the National Social Security Institute shall present the Financial Supervision Commission and the retirement insurance companies with information about the persons under Paragraph 1 who:

1. are employed under the conditions of Work Category I or II, as ascertained on 31 December 2010;
2. had passed away before 31 December 2010.

(4) The resources available in the individual accounts of the persons under Paragraph 1, excluding those in the accounts of deceased persons, shall be transferred to the Pensions Fund of the public social insurance by 31 March 2011.

(5) Any supplementary compulsory retirement insurance contributions paid in an occupational pensions fund for the persons under Paragraph 1 shall be transferred by the National Revenue Agency to the Pensions Fund of the public social insurance.

(6) If the persons under Paragraph 1 retire under the conditions laid down in Article 68, they shall be entitled to a one-time payment by the National Social Security Institute comprising the sums transferred from the occupational pension fund in which they were insured prior to 31 December 2010 and the insurance contributions paid after that date to the Pensions Fund of the public social insurance in the amounts under Article 157(1)(2) within 6 months upon their request submission.

(7) In the event of death of persons under Paragraph 1 who did not exercise their pension under § 4, their survivors (spouse or direct relatives in descending or ascending line) shall be entitled to a one-time payment by the National Social Security Institute comprising the sums transferred from the occupational pension fund in which the deceased was insured prior to 31 December 2010 and the insurance contributions paid after that date to the Pensions Fund of the public social insurance in the amounts under Article 157(1)(2) within 6 months upon their request submission

(8) On 31 March 2011 and in the beginning of each successive calendar year, the National Social Security Institute shall earmark an estimate of the resources necessary to pay the amounts under Paragraphs 6 and 7.

(9) The date of transfer of the resources of the persons under Paragraph 1 to the Pensions Fund of the public social insurance shall also be the date of termination of their relations with the retirement insurance company managing the occupational pension fund in which the persons have been insured. The individual accounts of the persons concerned shall also be closed on the same date.

(10) Any procedures related to the selection or change of occupational pension funds and the transfer of resources from one occupational pension fund to another in respect of the persons under Paragraph 1 shall be terminated on 31 December 2010.

(11) Women born before 1 January 1955 and men born before 1 January 1952 and persons born after 31 December 1959 who are insured in occupational pension funds may retire under the conditions laid down in § 4 prior to 31 December 2014 (inclusive), and the resources accrued in their individual accounts shall be transferred to the Pensions Fund of the public social insurance.

§ 4b. (New, SG No. 60/2011, effective 5.08.2011) (1) (Effective 18.06.2011 - SG No. 60/2011) The insurance relations of women born in the period from 1 January 1955 to 31 December 1959 inclusive and men born in the period from 1 January 1952 to 31 December 1959 inclusive with the retirement insurance company managing the occupational pension fund wherein such persons were insured as at 31 December 2010, where such relations have been terminated pursuant to § 4a(9) and the persons concerned have not retired by 17 June 2011 in accordance with the terms and conditions of § 4(1) - (3), shall be reinstated as of 18 June 2011, with such persons' individual accounts with the relevant occupational pension funds being reopened as of the said date.

(2) (Effective 18.06.2011 - SG No. 60/2011, supplemented, SG No. 98/2016, effective 1.01.2017) Persons under Paragraph 1 retiring in accordance with the terms and conditions of Articles 68, 68a, 69 and 69a shall have the right to a one-off payment by the National Social Security Institute of the funds transferred pursuant to § 4a(1) from the occupational pension fund wherewith they were insured as at 31 December 2010 and the insurance contributions paid for them between that date and 17 June 2011 inclusive to the Pensions Fund of the public social insurance system, the amount whereof being determined under Item 2 of Article 157(1), such payment to be effected within 6 months after a reimbursement request is submitted.

(3) (Effective 18.06.2011 - SG No. 60/2011, amended, SG No. 98/2016, effective 1.01.2017) In case the working capacity of a person under Paragraph 1 is reduced by more than 89.99 percent, such person shall have the right to a one-off payment by the National Social Security Institute of 50 percent of the funds transferred pursuant to § 4a(1) from the occupational pension fund wherewith they were insured as at 31 December 2010 and the insurance contributions paid for them between that date and 17 June 2011 inclusive to the Pensions Fund of the public social insurance system, the amount whereof being determined under Item 2 of Article 157(1), such payment to be effected within 6 months after a reimbursement request is submitted.

(4) (Effective 18.06.2011 - SG No. 60/2011) In case of death of a person referred to in Paragraph 1 who has not exercised

his/her pension rights under § 4(1), (2) and (3), the survivors of such person (spouse or direct relatives in descending or ascending line) shall have the right to a one-off payment by the National Social Security Institute of the funds transferred pursuant to § 4a(1) from the occupational pension fund wherewith the deceased was insured as at 31 December 2010 and the insurance contributions paid for him/her between that date and 17 June 2011 inclusive to the Pensions Fund of the public social insurance system, the amount whereof being determined under Item 2 of Article 157(1), such payment to be effected within 6 months after a reimbursement request is submitted. Where the deceased has no survivors (spouse or direct relatives in descending or ascending line), such funds shall be paid into the state budget.

(5) (Effective 18.06.2011 - SG No. 60/2011, amended, SG No. 107/2014, effective 1.01.2015, SG No. 61/2015, effective 1.01.2016) Where a pension is granted under Article 168, the National Social Security Institute shall transfer the funds transferred pursuant to § 4a(1) from the occupational pension fund wherewith the person concerned was insured as at 31 December 2010 and the insurance contributions paid into the Pensions Fund thereafter until 17 June 2011 inclusive, to the account of the occupational pension fund granting the pension. The funds shall be transferred within 14 days of the National Social Security Institute being notified of the granting of a pension by an occupational pension fund.

(6) (Effective 18.06.2011 - SG No. 60/2011, amended, SG No. 107/2014, effective 1.01.2015, repealed, SG No. 98/2016, effective 1.01.2017).

(7) (Effective 18.06.2011 - SG No. 60/2011) The procedures related to the election or change of participation in an occupational pension fund which have been terminated pursuant to § 4a(10) shall be resumed as of 18 June 2011.

(8) The persons referred to in Paragraph 1 who have not elected an occupational pension fund shall elect one within three months in accordance with the procedure provided for in Article 140(3).

(9) (New, SG No. 99/2012, effective 1.01.2013) The amounts referred to in Paragraphs 2, 3 and 4 shall be reinstated by an order issued by the officer charged with the management of the control over the expenses of the public social insurance at the respective territorial branch of the National Social Security Institute. These orders shall be handed over in accordance with the procedure of Article 110, Paragraph 4 and can be appealed against in accordance with the procedure set out in Chapter Eight.

§ 5. (Amended, SG No. 64/2000, SG No. 1/2002, amended and supplemented, SG No. 67/2003, amended, SG No. 112/2004, SG No. 109/2008, effective 1.01.2009, SG No. 100/2010, effective 1.01.2011, amended and supplemented, SG No. 99/2012, effective 1.01.2013, supplemented, SG No. 15/2013, effective 1.01.2014, amended and supplemented, SG No. 106/2013, effective 1.01.2014, amended, SG No. 111/2013, effective 1.01.2014, SG No. 27/2014, effective 1.01.2014, repealed, SG No. 61/2015, effective 1.01.2016).

§ 5a. (New, SG No. 64/2000, effective 1.08.2000, amended, SG No. 1/2002, SG No. 112/2003, SG No. 104/2005) Not later than the 31st day of December 2006, the social insurance contributions for registered agricultural producers and tobacco producers who perform only agricultural activities shall be paid on the basis of a contributory income which is not less than 25 per cent of the minimum monthly amount of the contributory income.

§ 6. (Supplemented, SG No. 64/2000, SG No. 1/2002, amended, SG No. 112/2003) (1) (Amended, SG No. 112/2004, SG No. 105/2006, SG No. 99/2009, SG No. 100/2010, effective 1.01.2011, SG No. 99/2012, effective 1.01.2013, SG No. 106/2013, effective 1.01.2014, supplemented, SG No. 61/2015, effective 1.01.2016) The maximum aggregate of one or several pensions granted prior to 31 December 2018, net of the supplements thereto, shall be determined, reckoned from the 1st day of July of each calendar year, as equal to 35 per cent, and from the 1st of July 2019 - 40 per cent of the maximum contributory income for the same calendar year as fixed by the Public Social Insurance Budget Act.

(2) The supplement under Article 84 herein shall be calculated on the basis of the amount as limited under Paragraph 1.

(3) Paragraphs (1) and (2) shall not apply to any persons who have served as President and Vice President of the Republic of Bulgaria, Chairman of the National Assembly, Prime Minister or a judge at the Constitutional Court.

(4) (Repealed, SG No. 89/2012, effective 1.01.2013).

(5) (Amended, SG No. 98/2016, effective 1.01.2017) Paragraphs 1 and 2 shall not apply to individuals receiving war disability pensions, upon attainment of the age under Article 68, Paragraph 1 herein.

§ 6a. (New, SG No. 89/2012, effective 1.01.2013) Any pensions for special merit granted up to 31 December 2012 under the revoked Article 91 shall retain their value set according to the arrangements that obtain hitherto. No pension for special merit under the revoked Article 91 shall be received in addition to another type of pension; no pension for special merit under the revoked Article 91 shall be transformed into a hereditary pension and/or received alongside any state-funded monetary awards under the Awards of merit for exceptional services to the Bulgarian state and nation Act.

§ 6b. (New, SG No. 106/2013, effective 1.01.2014) (1) (Previous text of § 6b, SG No. 107/2014, effective 1.01.2015) In 2014, entitlement to pension for contributory service and retirement age under Article 68, Paragraph 1 shall be acquired upon attainment of the age of 60 years and 8 months for women and 63 years and 8 months for men and 34 years and 8 months of contributory service for women and 37 years and 8 months of contributory service for men, and entitlement to pension under Article 68, Paragraph 3 shall be acquired upon attainment of the age of 65 years and 8 months for both women and men and at least 15 years of actual contributory service.

(2) (New, SG No. 107/2014, effective 1.01.2015) In 2015, the entitlement to a contributory-service and retirement-age pension under Article 68, Paragraphs 1 and 2 herein shall be acquired at the age of 60 years and 8 months for women and 63 years and 8 months for men contributory service of 35 years for women and 38 years for men, and the entitlement to pension under Article 68, Paragraph 3 shall be acquired at the age of 65 years and 8 months for women and men and not less than 15 years of active contributory service.

§ 7. (1) Any pensions granted until the 31st day of December 1999 inclusive shall be recalculated according to the provisions of this Code without changing the individual coefficient.

(2) Recalculation shall be made if this is more favourable for the pensioner.

(3) (New, SG No. 35/2001) The individual coefficient of any persons whose pensions have been granted under the Pensions Act as superseded and which include any contributory income for the period after the 31st day of December 1996, shall be recalculated on a single occasion, with the average monthly contributory income of the person for the period after the 31st day of December 1996 shall being related to the national average monthly contributory income for the same period.

(4) (New, SG No. 35/2001) The pensions of any persons under Paragraph 3 shall be recalculated automatically as from the 1st day of July 2001 under Article 70 (1) of this Code.

§ 7a. (New, SG No. 69/2008) (1) Work-contingent pensions granted by the 31st day of December 2007 shall be recalculated as of 1 October 2008 by multiplying the individual coefficient of the person by the national average monthly contributory income for 2007 - BGN 398.17, afterwards the amount of the pension shall be determined pursuant to the procedure established by Articles 70, 75 and 79.

(2) The recalculation of the pensions under paragraph 1 shall be preformed if that is more favourable for the person.

§ 8. Any pensions and supplements thereto, which were received at the 31st day of December 1999, granted under repealed laws, shall continue to be received.

§ 8a. (New, SG No. 35/2009, effective 12.05.2009) When acquiring entitlement under this Code the length of career military service under the repealed Republic of Bulgaria Defence and Armed Forces Act (promulgated in the State Gazette No. 112/1995, amend. No. 67/1996, No. 122/1997, No. 70, 93, 152 and 153/1998, No. 12, 67 and 69/1999, No. 49 and 64/2000, No. 25 and 34/2001, No. 1, 40, 45 and 119/2002, No. 50, 86, 95 and 112/2003, No. 93 and 111/2004, No. 27, 38, 76, 88 and 105/2005, No. 30, 36, 56, 82, 91 and 102/2006, No. 11, 41, 46 and 59/2007, Decision No. 9 of the Constitutional Court of 2007 - No. 68/2007, amend. No. 89 and 109/2007, No. 13/2008, Decision No. 2 of the Constitutional Court of 2008 - No. 28/2008; amend. No. 36, 43 and 102/2008; repealed No. 35/2009) shall be deemed military service.

§ 9. (Amended, SG No. 102/2005) (1) The time counting as length of employment service and as length of employment

service required for retirement logged until the 31st day of December 1999 according to the provisions effective theretofore shall count as contributory service under this Code.

(2) (Repealed, SG No. 100/2010, effective 1.01.2011).

(3) (Repealed, SG No. 100/2010, effective 1.01.2011).

(4) (Repealed, SG No. 100/2010, effective 1.01.2011).

(5) (Repealed, SG No. 100/2010, effective 1.01.2011).

(6) (Amended, SG No. 100/2010, effective 1.01.2011) In case of death of the person concerned before the expiry of the deferred payment plan under the repealed paragraph 4(2), the remainder of outstanding contributions shall not be collected from the survivors of the said person. If a survivor pension is granted, only the period during which social insurance contributions have been remitted according to the deferred payment plan shall count as contributory service.

(7) (Repealed, SG No. 100/2010, effective 1.01.2011).

(8) (Amended, SG No. 105/2006, repealed, SG No. 100/2010, effective 1.01.2011).

(9) (Supplemented, SG No. 109/2008, repealed, SG No. 100/2010, effective 1.01.2011).

§ 9a. (New, SG No. 104/2005) The provision of Item 9 of Article 20 (9) herein shall apply for 2006.

§ 10. (Repealed, SG No. 1/2002).

§ 10a. (New, SG No. 45/2002) Articles 117a and 118a herein shall furthermore apply to any disputes pending before the director of the local division of the National Social Security Institute and before the courts. A request for stay of execution may be submitted by the liable persons within 14 days after the entry into force of the revisions of this Code adopted on the 23rd day of April 2002.

§ 11. (Repealed, SG No. 1/2002).

§ 11a. (New, SG No. 112/2003, supplemented, SG No. 112/2004) Any persons covered under Item 4 of Article 4 (1) herein, with the exception of those covered under Article 127 (5) herein, who have chosen a universal pension fund prior to the 1st day of January 2003, shall participate in the fund chosen thereby as from the 1st day of January 2004. In respect of any such persons, the time limit referred to in Article 171 (1) herein shall be deemed to have started to run on the 1st day of January 2004.

§ 11b. (New, SG No. 103/2005) (1) The ordinance referred to in Item 5 of Article 122i (2) and in Article 122i (3) shall be adopted within one year after the entry into force of the Insurance Code. The first examination for attainment of an actuary licensed competence shall be conducted within six months after the entry into force of the said ordinance.

(2) Within three years after the entry into force of the Insurance Code, the retirement insurance companies shall be obligated to conclude contracts for actuarial services with persons possessing a recognized responsible actuary licensed competence.

(3) Until expiry of the time limit referred to in Paragraph 2, the persons who have obtained an actuary licence according to the procedure established by Ordinance No. 14 of 2004 Establishing a Procedure and Manner for Licensing of Actuaries of Retirement Insurance Companies and of Supplementary Retirement Insurance Funds Managed Thereby (State Gazette No. 46 of 2004) may discharge the duties of a responsible actuary upon performance of actuarial services of retirement insurance companies and of the supplementary retirement insurance funds managed thereby, as well as be elected as responsible actuaries of retirement insurance companies and of the supplementary retirement insurance funds managed thereby.

§ 11c. (New, SG No. 100/2007, repealed, SG No. 20/2013).

§ 11d. (New, SG No. 20/2013) (1) (Amended, SG No. 92/2017) The prohibition under Article 246 (4) shall apply to the pension contracts for payment of lifelong pensions from supplementary voluntary retirement insurance funds, concluded after 20-th of December 2012.

(2) As regards pension contracts, executed prior to 20-th of December 2012 inclusive, the use of gender as an actuarial factor in the calculation of lifelong pensions shall be permissible in case the retirement insurance company would use reliable and regularly updated public statistical information, showing the determining importance of gender. The parties under the first sentence may agree that the calculation of pensions, paid after the 20-th of December 2012 shall be performed based on the biometric tables, which are to be used for calculating the amounts of pensions under the pension contracts, entered into after that date.

§ 12. This Code shall supersede:

1. Title Three of the Labour Code of 1951 (promulgated in Transactions of the Presidium of the National Assembly No. 91 of 1951; corrected in No. 93 of 1951; amended and supplemented, Nos. 91 and 92 of 1957, State Gazette Nos. 24, 36, and 92 of 1963, Nos. 1, 61, 90 and 99 of 1965, No. 15 of 1968; corrected in No. 33 of 1968; amended and supplemented in No. 68 of 1970, Nos. 53 and 81 of 1973, No. 27 of 1975, No. 63 of 1976, No. 32 of 1977, No. 57 of 1981, No. 44 of 1984, Nos. 26 and 27 of 1986, No. 46 of 1989, Nos. 52 and 100 of 1992, No. 104 of 1995, No. 28 of 1996 and No. 155 of 1998).

2. The Pensions Act (promulgated in Transactions of the Presidium of the National Assembly No. 91 of 1957; corrected in No. 92 of 1957; amended and supplemented in No. 104 of 1959, No. 51 of 1961, No. 105 of 1962; State Gazette No. 103 of 1964, No. 92 of 1965, Nos. 25 and 101 of 1966, No. 102 of 1967, Nos. 59 and 97 of 1969, Nos. 48 and 63 of 1970, Nos. 3 and 61 of 1971, Nos. 36 and 65 of 1972, No. 53 of 1973, No. 34 of 1974, Nos. 3, 36 and 53 of 1975, Nos. 2 and 63 of 1976, No. 80 of 1979, No. 90 of 1980, No. 9 of 1981, No. 28 of 1983, Nos. 44 and 69 of 1984, Nos. 70 and 81 of 1985, Nos. 6 and 46 of 1989; corrected in No. 61 of 1989; amended and supplemented in No. 99 of 1989, Nos. 6, 30 and 81 of 1990, No. 12 of 1991, No. 52 of 1992; modified by Judgment No. 11 of the Constitutional Court of Republic of Bulgaria of 1992, promulgated in No. 64 of 1992; amended in No. 85 of 1992, No. 102 of 1993, No. 49 of 1994, Nos. 68 and 104 of 1995, Nos. 22 and 67 of 1996, No. 46 of 1997; modified by Judgment No. 12 of the Constitutional Court of Republic of Bulgaria of 1997, promulgated in No. 89 of 1997; amended in No. 123 of 1997, Nos. 153 and 155 of 1998, Nos. 57 and 69 of 1999).

3. The Act Denying Pensions to Persons Who Have Been Involved in Fascist Activities (promulgated in the State Gazette No. 9 of 1948; amended in No. 176 of 1949, No. 71 of 1964).

§ 13. (1) Decree No. 256 on Mutual Social Insurance of Workers' Productive Cooperative Members (promulgated in Transactions of the Presidium of the National Assembly No. 63 of 1953; corrected in No. 82 of 1953; amended in No. 17 of 1955, No. 69 of 1956, No. 62 of 1958; corrected in No. 82 of 1958; amended in No. 68 of 1960, No. 38 of 1962; State Gazette No. 50 of 1963, No. 21 of 1964, No. 32 of 1968, Nos. 26 and 27 of 1986) shall be repealed.

(2) The activity of public social insurance of the Council for Mutual Social Insurance of Workers' Productive Cooperative Members, as well as its assets and liabilities of the said Council for claims for social insurance contributions and social insurance payments, shall pass to public social insurance.

(3) The balance of assets and liabilities of the Council for Mutual Social Insurance of Workers' Productive Cooperative Members shall pass to the Central Union of Workers' Productive Cooperatives.

(4) The period during which the persons have been insured under the Decree on Mutual Social Insurance of Workers' Productive Cooperative Members shall count as contributory service regardless of its duration.

§ 14. (1) The Social Security Fund Act (promulgated in the State Gazette No. 104 of 1995; amended in Nos. 55 and 123 of 1997, Nos. 59 and 155 of 1998, No. 12 of 1999) shall be repealed.

(2) The property under § 5 (2) of the repealed Social Security Fund Act shall be disposed of by the Supervisory Board of the National Social Security Institute.

§ 15. The Labour Code (promulgated in the State Gazette Nos. 26 and 27 of 1986; amended and supplemented in No. 6 of 1988, Nos. 21, 30 and 94 of 1990, Nos. 27, 32 and 104 of 1991, Nos. 23, 26, 88 and 100 of 1992; modified by Judgment No. 12 of the Constitutional Court of Republic of Bulgaria of 1995, promulgated in No. 69 of 1995; amended in No. 87 of 1995, Nos. 2, 12 and 28 of 1996, No. 124 of 1997, No. 22 of 1998; modified by Judgment No. 11 of the Constitutional Court of Republic of Bulgaria of 1998, promulgated in No. 52 of 1998; amended in Nos. 56, 83, 108 and 133 of 1998, Nos. 51 and 67 of 1999) shall be amended as follows:

1. Article 114 shall be repealed.

2. Article 163 (1) shall be amended to read as follows:

"Article 163. (1) A female factory or office worker shall be entitled to 135 days of pregnancy and child-birth leave for each child, of which 45 days prior to the confinement."

3. (Effective 17.12.1999) In Article 333 (1) and (3), the words "Item 5 of Article 330 (2) herein" shall be replaced by "Item 6 of Article 330 (2) herein".

§ 16. The Protection in Unemployment and Employment Promotion Act (promulgated in the State Gazette No. 120 of 1997, amended in No. 155 of 1998, Nos. 26, 50, 65, 67, 68 and 84 of 1999) shall be amended as follows:

1. In sentence one of Article 20 (2), the words "ratio of 7 to 1" shall be replaced by "the following ratio:

(a) for 2000 and 2001: 80 to 20;

(b) for 2002: 75 to 25;

(c) for 2003: 70 to 30;

(d) for 2004: 65 to 35;

(e) for 2005: 60 to 40;

(f) for 2006: 55 to 45;

(g) for 2007 and thereafter: 50 to 50."

2. Article 109 shall be repealed.

§ 17. In the Supplementary Voluntary Retirement Insurance Act (promulgated in the State Gazette No. 65 of 1999), in Article 109, the word "fine" shall be replaced by "pecuniary penalty".

§ 18. The Health Insurance Act (promulgated in the State Gazette No. 70 of 1998; amended in Nos. 93 and 153 of 1998, Nos. 62, 65, 67 and 69 of 1999) shall be amended and supplemented as follows:

1. In Article 6:

(a) Paragraph 2 shall be amended to read as follows:

"(2) The National Health Insurance Fund shall consist of a head office, of regional health insurance funds and their municipal branches with offices in accordance with a list approved by the Council of Ministers."

(b) in Paragraph 3 the word "central" shall be deleted

2. In Article 23 (2), the word "temporary" shall be deleted and the phrase "off-budget accounts and funds" shall be replaced by "credits from other institutions".

3. In Article 29:

(a) in Paragraph 2, the words "Public Social Insurance Fund" shall be replaced by "the public social insurance budget";

(b) a new Paragraph 4 shall be added:

"(4) Should the draft of a National Health Insurance Budget Act be not passed by the National Assembly until the commencement of the budget year, the insurance revenues shall be collected and the insurance expenses shall be incurred in conformity with the budget for the last preceding year as endorsed, and up to one-twelfth of the expenses, provided for in the budget for the last preceding year, shall be spent on the maintenance of the National Health Insurance Fund."

4. Article 33 shall be amended to read as follows:

"Article 33. The following shall be covered by compulsory insurance provided by the National Health Insurance Fund:

1. all Bulgarian citizens who are not citizens of another State as well;
2. all Bulgarian citizens who are citizens of another State as well and reside permanently within the territory of the Republic of Bulgaria;
3. all foreign citizens or stateless persons who have been permitted long-term residence in the Republic of Bulgaria, save as otherwise provided by an international treaty whereto the Republic of Bulgaria is a party;
4. all persons who have been recognized refugee status or who have been afforded a right of asylum in Bulgaria."

5. Article 39 shall be amended to read as follows:

"Article 39. (1) Any person which or who is under obligation to remit health insurance contributions under this Act shall be obligated to provide the local divisions of the National Social Security Institute with particulars regarding the insured persons each month as from the inception of the grounds for entitlement to health insurance by means of submission of declarations completed in a standard form endorsed by the National Social Security Institute and the National Health Insurance Fund.

(2) Any persons, paying health insurance for members of the family thereof under this Act, shall provide particulars regarding any such members by means of submission of declarations completed in a standard form endorsed by the National Social Security Institute and the National Health Insurance Fund.

(3) In the cases where the persons prepay contributions under this Act, the said persons shall complete a declaration covering the period of prepayment in a standard form endorsed by the National Social Security Institute and the National Health Insurance Fund.

(4) Any foreigners staying for a short term in the Republic of Bulgaria, as well as any persons holding dual Bulgarian and foreign nationality, who are not covered by health insurance according to the procedure established by this Act, shall pay the value of the medical care delivered thereto unless an international treaty, whereto the Republic of Bulgaria is a party, applies to any such persons."

6. Article 40 shall be amended as follows:

(a) Paragraph 1 shall be amended to read as follows:

"(1) The health insurance contribution in respect of any insured person, due at a rate set according to the procedure established by Article 29 (3) herein, shall be charged on an income arrived at as follows and shall be remitted as follows:

1. in respect of any person deriving income from employment relationships, civil-service relationships or legal relationships which have arisen in pursuance of special statutes: the taxable income under the Income Taxes on Natural Persons Act:

(a) the contribution for persons working under employment relationships shall be remitted by the employer or by the central-government department and the insured person in the following ratio:

- for 2000 and 2001: 80 to 20;

- for 2002: 75 to 25;

- for 2003: 70 to 30;

- for 2004: 65 to 35;

- for 2005: 60 to 40;

- for 2006: 55 to 45;

- for 2007 and thereafter: 50 to 50;

(b) the contribution for persons working under civil-service relationships and relations which have arisen in pursuance of special statutes shall be remitted by the employer and shall be for the account of the executive budget;

(c) the employer or central-government department shall remit the contributions simultaneously with the payment of the remunerations; when paying remunerations, the employer or central-government department shall deduct the contributions due by the insured persons and the contributions for the family members insured thereby;

2. any sole trader, any natural person who has formed a single-member limited liability company, any partner in a commercial corporation, and any person registered as practitioner of a liberal profession or a skilled craft by registration, shall be charged health insurance contributions on a declared monthly income which may not be lower than the double amount of the national minimum wage, and annually on the taxable income in accordance with the information in their tax return:

(a) contributions shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

(b) the monthly contributory income, with respect to the calculation of the annual amount of the contribution, shall be determined by dividing the annual taxable income by the period during which the respective activity is performed;

(c) in case of annual taxation, contributions shall be remitted in the terms determined for paying taxes under the Income Taxes on Natural Persons Act;

3. contributions for persons who do not declare any income under Item 2 and who work without entering into an employment relationship under a contract with an enterprise or another organization as a client, shall be remitted every month on the taxable income from the enterprise or organization by deducting the, from the compensation of the person; contributions shall be remitted by the enterprise or organization on or before the 10th day of the month next succeeding the month wherefor the said contributions are due; the income of any such persons shall be equalized annually in accordance with Item 2 (b) and (c);

4. in respect of pensioners: the amount of the pension or the sum total of the pensions, net of the supplements thereto; contributions shall be for the account of the executive budget and shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

5. in respect of pensioners receiving pensions under international agreements, entirely for the account of a foreign social insurance institute: the double amount of the national minimum wage; contributions shall be for the account of the person and shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

6. in respect of persons receiving benefits for temporary disability through sickness, pregnancy, child-birth or child-care: the amount of the benefit; contributions shall be for the account of the employer or the central-government department and shall be equal to the part of the contribution due from them, payable upon payment of benefits; when the person is insured for his or her account, contributions shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

7. in respect of persons deriving income on different grounds, indicated in Items 1, 2, 3, 4, 5 and 6: contributions shall be charged on the sum of contributory incomes;

8. in respect of recipients of unemployment benefits: the amount of the benefit; contributions shall be for the account of the Vocational Training and Unemployment Fund and shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

9. in respect of persons and family members entitled to social assistance, as well as for parentless children who have not attained the age of 18 years, who are not subject to social insurance on other grounds: one national minimum wage; contributions shall be for the account of the municipal budgets and shall be remitted on or before the 10th day of each month next succeeding the month wherefor the said contributions are due;

10. in respect of conscripts, war veterans and war-disabled persons, any persons disabled in the course of, or in connection with, national defence, in natural disasters and accidents, and Ministry of Interior employees who have sustained an injury in the line of duty, who are not subject to other social insurance; in respect of any persons undergoing a procedure for recognition of refugee status or for affording a right of asylum, in respect of any persons remanded in custody or any persons deprived of their liberty, in respect of any persons without an income who has been placed in a child-care home, in a pre-school child-care home, or in a public-care institution; in respect of university students without income until attainment of the age of 26 years: one national minimum wage; contributions shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due, and shall be transferred through the respective central-government department for the account of the executive budget or the municipal budgets;

11. in respect of persons on unpaid leave who are not subject to social insurance on other grounds: one national minimum wage; contributions shall be for the account of the employer and shall be remitted upon payment of remunerations by the respective enterprise or another organization;

12. in respect of ministers of the Bulgarian Orthodox Church and any other religion recognized according to a statutorily established procedure, who are not under employment relationships: one national minimum wage; contributions shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due by the central governing body of the respective religion;

13. in respect of family members who are not insured: 5 per cent of the contribution for each insured family member; contributions shall be for the account of the insured person; when the insured person receives income under Items 1, 3 and 6, the contribution shall be deducted by the employer (enterprise), central-government department or organization upon payment of remunerations; in respect of any persons working under an employment relationship or a civil-service relationships or relationships derived from special statutes, contributions shall be deducted and remitted by the employer or central-government department upon payment of remunerations or benefits; if the person is insured for his or her account, as well as for persons insured under Item 3, contributions shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due;

14. any persons who are not subject to social insurance under Items 1 to

13 shall be insured on a contributory income declared by them, which may not be less than the double amount of the national minimum wage; contributions shall be for their account and shall be remitted on or before the 10th day of the month next succeeding the month wherefor the said contributions are due; if such persons are subject to annual taxation, there shall be annual balancing of contributions in accordance with Item 2."

(a) Paragraph 3 shall be amended to read as follows:

"(3) In respect of each person covered under Item 7 of Paragraph 1, contributions shall be charged on the sum total of the contributory income in the manner determined for the respective type of income but on not more than ten times the national minimum wage."

7. Article 41 shall be amended to read as follows:

"Article 41. (1) The contributions under this Act shall be credited to the accounts whereon health insurance contributions are raised at the local divisions of the National Social Security Institute, wherefrom the said contributions shall be transferred daily to the account of the Head Office of the National Social Security Institute whereon health insurance contributions are raised.

(2) The amounts of health insurance contributions, collected at the National Social Security Institute, shall be transferred to the resource-raising account of the National Health Insurance Fund at the end of each working day."

8. Article 42 shall be amended as follows:

(a) Paragraph 1 shall be amended to read as follows:

"(1) The contributory income, whereupon the health insurance contribution shall be computed, shall be ascertained according to pay-rolls and other documents on remunerations paid, according to pension records, cashed-in medical certificates, paid unemployment benefits and according to the tax returns under the Personal Income Tax Act."

(b) Paragraph 3 shall be amended to read as follows:

"(3) Persons shall submit a declaration to the payer of the income or to the relevant bodies for family members who are obliged to pay contributions. The annual return under the Personal Income Tax Act shall show the health contributions paid during the year and amounts due upon annual balancing, if any such amounts are established."

(c) a new Paragraph 4 shall be added to read as follows:

"(4) The employers, the tax services, the municipal authorities, the central-government departments, the contracting enterprises and organizations and the self-insured shall be obligated to submit the requisite information under Article 42 (1) and (3) herein to the National Social Security Institute and to the National Health Insurance Fund."

9. Article 43 shall be amended to read as follows:

"Article 43. Any persons insured under Items 2, 5 and 14 of Article 40 (1) herein may prepay the health insurance contributions for themselves and for their family members for a time period of their choice."

10. Article 44 shall be amended to read as follows:

"Article 44. The health insurance contributions shall be paid by any of the following modes:

1. by bank transfer;
2. by postal money order."

11. In Item 8 of Article 45 (1), the word "and" shall be added after the word "dentist".

12. In Article 55 (6), the words "Article 32 herein" shall be replaced by the words "Article 31 (3) herein".

13. Article 63 shall be amended to read as follows:

(a) in Item 1 the words "the quantity and types of medical care received by the respective person and their price" shall be deleted;

(b) in Item 2 the words "information on activities performed by him and amounts paid" shall be deleted;

(c) Item 3 shall be amended to read as follows:

"3. register of manufacturers, importers and distributors of medicinal drugs and pharmacies which have concluded contracts with the National Health Insurance Fund;"

14. Article 64 shall be amended to read as follows:

"Article 64. Each health insured shall have the right to receive from the National Health Insurance Fund the available information regarding the medical care which the said insured has used during the last preceding five years and the price of the said care according to a procedure established by the Fund."

15. Article 69 shall be amended to read as follows:

"Article 69. On a monthly basis, the National Social Security Institute shall be obligated to provide the National Health Insurance Fund with information regarding the health insured persons and the amount of the health insurance contributions collected therefrom."

16. In Article 73 (1), Item 1 shall be deleted.

17. There shall be inserted a new Article 73a:

"Article 73a. Financial control over the revenues of the National Health Insurance Fund from health insurance contributions and due interest shall be exercised by the controlling authorities of the National Social Security Institute according to the procedure established by the Social Insurance Code."

18. In Article 77 , after the words "and the National Social Security Institute" shall be added after the words "the control authorities of the National Health Insurance Fund".

19. Article 104 shall be amended as follows:

(a) in Paragraph 1, the words "BGN 50 to 100 for each unpaid contribution" shall be replaced by the words "BGN 500 to 1,000";

(b) in Paragraph 2, the words "monthly BGN 200 for each unpaid contribution" shall be replaced by the words "BGN 2,000".

20. Article 105 shall be amended as follows:

(a) in Paragraph 1, the words "financial inspectors of the National Social Security Institute" shall be replaced by the words "control authorities of the National Social Security Institute and the National Health Insurance Fund";

(b) Paragraph 2 shall be amended to read as follows:

"(2) The penalty decrees shall be issued by the Governor of the National Social Security Institute, by the Director of the National Health Insurance Fund or by the director of the respective regional health insurance fund and by the director of the respective local division of the National Social Security Institute."

21. Article 107 shall be amended to read as follows:

"Article 107. Imposition of any penalty under Articles 103 and 104 herein shall not excuse the offender from the obligation to pay the contributions due with period legal interest as applicable."

22. Article 109 shall be amended to read as follows:

"Article 109. (1) Any health insured persons, who are obligated to remit contributions for themselves and for their family members, who have not remitted more than three contributions due, shall pay the medical services they receive to service providers. When the insured person pays to the National Social Security Institute all contributions due, his or her entitlement shall be reinstated as from the date of payment of the contributions due; the sums paid for medical care as delivered shall be non-refundable.

(2) Non-remittance of contributions, which is not the fault of the insured persons, shall not deprive them of their social insurance entitlement. Amounts paid by such persons for medical services in such cases shall be refundable."

23. In Article 110, the words "six months" shall be replaced by the words "one month".

24. § 1 of the Supplementary Provisions shall be amended as follows:

(a) Item 3 shall be amended to read as follows:

"3. "Family members" shall be a spouse and any child who has not attained the age of 18 years or, if pursuing the studies thereof, who has not attained the age of 26 years or, if legally incapable or permanently disabled, irrespective of age.";

(b) a new Item 8 shall be added to read as follows:

"8. "Enterprise" shall refer to any legal person, sole trader and unincorporated association which or who carries on commercial activities."

25. § 19 of the Transitional and Final Provisions shall be amended as follows:

(a) the existing text shall be redesignated to become Paragraph 1;

(b) a new Paragraph 2 shall be added:

"(2) The Council of Ministers, acting on a motion by the National Social Security Institute and the National Health Insurance Institute, shall adopt an ordinance on the application of Article 39 and Section V of Chapter Two of this Act."

§ 19. In the Corporate Income Tax Act (promulgated in the State Gazette No. 115 of 1997; corrected in No. 19 of 1998; amended in Nos. 21 and 153 of 1998, Nos. 12, 50, 51, 64, 81 and 103 of 1999), in Article 23 (3) there shall be added the following new Items 16 and 17:

"16. the resources on a separate account established according to Article 139 (2) of the Compulsory Social Insurance Code - by licensed retirement insurance companies;

17. the income derived from investment of the resources under Item 16."

§ 20. The Ministry of Interior Act (promulgated in the State Gazette No. 122 of 1997; modified by Judgment No. 3 of the Constitutional Court of 1998, promulgated in No. 29 of 1998; amended in Nos. 70, 73 and 153 of 1998, No. 30 of 1999) shall be amended and supplemented as follows:

1. In Article 229:

(a) in Paragraph 1, Items 3 and 4 shall be repealed;

(b) Paragraph 3 shall be amended to read as follows:

"(3) Commissioned and non-commissioned officers shall receive their gross remuneration for the time of paid leave depending on the amount of the remuneration at the time of use of the leave."

2. Article 230 shall be amended to read as follows:

"Article 230. Commissioned and non-commissioned officers shall be entitled to a leave for working in health-hazardous conditions, for performance of social and civic duties; for temporary disability through pregnancy, child-birth and adoption, for child-care, for nursing and feeding of a small child, upon death or serious illness of a parent, for two or more living children, for an entrance examination at an educational establishment, as well as to an unpaid leave under the terms, according to the procedure and for the durations provided for in the Labour Code."

§ 21. The Foreign Investments Act (promulgated in the State Gazette No. 97 of 1997; amended in No. 99 of 1997, Nos. 29 and 153 of 1998) shall be amended as follows:

1. Article 30 shall be amended to read as follows:

"Article 30. Any factory and office worker who is a foreign citizen shall be provided with social insurance according to the procedure established by Bulgarian legislation."

2. Article 32 shall be amended to read as follows:

"Article 32. Bulgarian legislation shall apply in any matters of employment relationships with any employer covered under Article 29 herein which are not regulated by the employment contract."

§ 22. (1) (Amended, SG No. 109/2008, effective 1.01.2009, SG No. 61/2015, effective 1.01.2016) The Teachers Pension Fund established under the Social Security Fund Act as superseded shall continue to exist.

(2) (Amended, SG No. 15/2013, effective 1.01.2014, repealed, SG No. 61/2015, effective 1.01.2016).

(3) (Repealed, SG No. 61/2015, effective 1.01.2016).

(4) (Amended, SG No. 114/2003, repealed, SG No. 61/2015, effective 1.01.2016).

(5) (Repealed, SG No. 61/2015, effective 1.01.2016).

(6) (Repealed, SG No. 61/2015, effective 1.01.2016).

(7) (New, SG No. 112/2004, supplemented, SG No. 109/2008, effective 1.01.2009, repealed, SG No. 61/2015, effective 1.01.2016).

§ 22a. (New, SG No. 120/2002, amended, No. 114/2003, SG No. 115/2004, SG No. 105/2005) Any contributions due for public social insurance, for health insurance, for the Teachers Pension Fund and for supplementary compulsory retirement

insurance by public-financed enterprises within the meaning given by Item 1 of § 1 of the Supplementary Provision of the Accountancy Act, shall be charged, remitted and reported according to the procedure established by the 2006 State Budget of the Republic of Bulgaria Act.

§ 22b. (New, SG No. 105/2006) The cash benefits for the persons who are on leave for temporary disability, occupational rehabilitation, for pregnancy and child-birth and for child-care at the 1st day of January 2007, in respect of whom payment of a benefit has commenced, as well as the unpaid cash benefits and allowances applying to any periods prior to the said date, shall be paid according to the hitherto effective procedure. The documents claiming social security payments shall mandatorily state the single identification code of the social insurance contributor or the self-insured person.

§ 22c. (New, SG No. 105/2006) Any charged but unpaid remunerations shall be ignored upon determination of the contributory income on the basis of which the cash benefits for temporary disability, pregnancy and child-birth, occupational rehabilitation and for unemployment are calculated for the period until the 31st day of December 2006.

§ 22d. (New, SG No. 105/2006, amended, SG No. 113/2007) Pensions granted in 2007 shall be re-estimated ex officio, where the 1,5 per cent for determining their amount was applied to insurance service acquired in 2007 pursuant to Article 70, paragraph 1, second sentence.

§ 22e. (New, SG No. 105/2006, amended, SG No. 100/2010, effective 1.01.2011, repealed, SG No. 92/2017).

§ 22f. (New, SG No. 105/2006) (1) The mothers (male adopters), in respect of whom the period of entitlement to the benefit referred to in Article 50 herein has not lapsed at the 1st day of January 2007 but 315 calendar days have not lapsed since the commencement of the said period, shall be entitled to a benefit for pregnancy and child-birth for the balance to the end of the said period.

(2) The mothers (male adopters), in respect of whom the period of entitlement to the benefit referred to in Article 50 herein has lapsed at the 1st day of January 2007 but 315 calendar days have not lapsed since the commencement of the said period, shall be entitled to a benefit for pregnancy and child-birth for the balance to the end of the said period.

§ 22g. (New, SG No. 109/2008, effective 1.01.2009) The amount of unemployment benefits shall be determined and the benefits shall be paid to those whose employment relationships have been terminated prior to 1 January 2009 according to the hitherto effective procedure.

§ 22h. (New, SG No. 109/2008, effective 1.01.2009) (1) For 2009, as of 1 April, the maximum amount of the pensions granted (one or more in number), less the additions thereto, shall be BGN 700.

(2) Pensions granted with a commencement date prior to 31 March 2009 shall be recalculated as provided for by Article 70 by applying 1.1 percent for each year of insured length of service, without changes being made to the income based on which the pension is calculated.

§ 22i. (New, SG No. 109/2008, effective 1.01.2009) (1) For 2009, pensions granted with a commencement date prior to 31 March 2009 shall be updated as of 1 July by applying the percentage under Article 100 minus 10 points.

(2) The percentage referred to in Paragraph 1 shall also apply to the minimum amount of pensions for insured length of service and retirement age.

(3) The updating referred to in Paragraphs (1) and (2) shall take place after a decision of the Supervisory Board of the National Social Security Institute.

§ 22j. (New, SG No. 109/2008, effective 1.01.2009) (1) Mothers (adoptive parents) for whom the term of the benefits under Article 50 has not expired by 1 January 2009 shall have the right to benefits for pregnancy and childbirth for the time remaining

until the completion of 410 calendar days.

(2) Mothers (adoptive parents) for whom the term of the benefits under Article 50 has expired prior to 1 January 2009 but from the start of such term fewer than 410 calendar days have elapsed, shall have the right to benefits for pregnancy and childbirth for the time remaining until the end of this period.

§ 22k. (New, SG No. 109/2008, effective 1.01.2009) Those dismissed in the period from 1 January 2009 to 31 December 2009 inclusive and entitled to unemployment benefits shall receive the following amounts of such benefits:

a) 130 percent of the amount of benefits determined under Article 54b(1) and (2) - for the first half of the period for which the benefits are due;

b) 70 percent of the amount of benefits determined under Article 54b(1) and (2) - for the second half of the period for which the benefits are due.

§ 22l. (New, SG No. 41/2009, effective 1.07.2009) (1) Persons in respect of whom expert decisions for determining a permanently reduced working capacity have been appealed until 1 July 2009, may submit a disability pension request within 6 months after the aforementioned date. In such cases the pension shall be granted from the date of entitlement acquisition according to the appealed expert decision determining a permanently reduced working capacity, in the amount under Article 98(7). If the request has been submitted upon the expiration of the sixth-month period, the pension shall be granted from the request submission date.

(2) Persons in respect of whom expert decisions for determining a permanently reduced working capacity have been appealed until 1 July 2009 by medical panels at the regional offices of the National Social Security Institute shall be granted disability pensions in the amount under Article 98(7), from the date of entitlement acquisition according to the appealed expert decision determining a permanently reduced working capacity.

§ 22m. (New, SG No. 99/2009, effective 1.01.2010) As of 1 January 2010, pensions under Article 98(7) and § 22l shall be determined in accordance with Article 98(9) and (10).

§ 22n. (New, SG No. 49/2010, effective 1.07.2010, amended, SG No. 98/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012) For the period prior to 31 December 2012:

1. the insurer shall pay to the insured person for the first, second and third working day of the temporary disability 70 per cent of the average daily gross remuneration for the month when the temporary disability has occurred, but not less than 70 per cent of the average daily contracted remuneration;

2. (repealed, SG No. 98/2010, effective 1.01.2011);

3. (repealed, SG No. 98/2010, effective 1.01.2011).

§ 22o. (New, SG No. 58/2010, effective 30.07.2010) (1) Until the 31st day of December 2010 the contributory service of the factory and office workers who work part-time according to the procedure established by § 3b, Paragraph (1) of the Transitional Provisions of the Labour Code, shall count entirely regardless of the duration of the working hours.

(2) Until the 31st day of December 2010 the period of unpaid leave according to the procedure established by § 3e, Paragraph (1) of the Transitional Provisions of the Labour Code, shall count as contributory service without making social insurance contributions.

§ 22p. (New, SG No. 94/2012, effective 1.07.2013) Article 159(5) shall also apply to social insurance contributions for supplementary compulsory retirement insurance, the payment deadline for which would have expired prior to 1 July 2013.

§ 22q. (New, SG No. 107/2014, effective 1.01.2015) Pensions granted with an initial date until 31 December 2014 under

Article 82, Paragraph 1 to persons, who became disabled before attainment of the age of 18 or 26 years, respectively, shall continue to be paid until the period for which they were granted expires.

§ 22r. (New, SG No. 107/2014, effective 1.01.2015) Social disability pensions granted with an initial date until 31 December 2014 and paid on the grounds of the deleted second sentence of Article 101, Paragraph 3a, shall continue to be received in the amount, defined as of that date, until the period for which they were granted expires.

§ 22s. (New, SG No. 98/2015, effective 1.01.2016) (1) By 30 April 2016 the Minister of Health and the Minister of Labour and Social Policy shall present for public discussion a concept for the improvement of medical expertise and the expertise of capacity and amendments to legislation in the field of disability pensions.

(2) By 30 June 2016 the Council of Ministers shall table at the National Assembly the relevant draft legislation relating to the amendments and supplements to the regulation of disability pensions and other rights of people with disabilities, arising from the concept referred to in Paragraph 1, including measures aimed at streamlining the utilisation of available financial resources to improve the living conditions of people with disabilities.

§ 23. This Code shall enter into force on the 1st day of January 2000, with the exception of

1. Article 20 (3) herein, which shall enter into force on the 1st day of January 2001;
2. Article 64 (3) and (4) herein, which shall enter into force on the 1st day of January 2004;
3. Article 127 (1) herein, which shall enter into force on the 1st day of January 2002;
4. Item 3 of § 15 herein, which shall enter into force on the date of promulgation of the Code in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Compulsory Social Insurance Code
(Promulgated, SG No. 64/2000, amended, SG No. 1/2001)

§ 39. Any cases instituted until the 31st day of December 1999 on actions for establishment of employment injuries or occupational diseases shall be considered by the courts according to the procedure established by the Code of Civil Procedure.

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§ 42. (Amended, SG No. 1/2001) For 2001, the time limit referred to in Article 140 (3) of the Compulsory Social Insurance Code shall be the 31st day of January 2001.

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TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Compulsory Social Insurance Code
(Promulgated, SG No. 1/2002, effective 1.01.2002,
amended, SG No. 119/2002, effective 1.01.2003)

§ 83. Article 110 (11) of the Compulsory Social Insurance Code shall furthermore apply to any amounts collected under deficit deeds drawn up before the 1st day of January 2000.

§ 84. (1) Any claims and obligations for payment of unemployment benefits and allowances and for overremitted social insurance contributions to the Occupational Training and Unemployment Fund shall pass to the Unemployment Fund.

(2) The unemployment cash benefits and allowances, granted at the 31st day of December 2001, shall be paid at the amounts and within the durations provided for in Section III of Chapter Four as repealed of the Protection in Unemployment and Employment Promotion Act.

(3) (Amended, SG No. 74/2002) Unemployment insurance for any persons under Item 4 of Article 4 (1) of the Compulsory Social Insurance Code shall commence on the 1st day of January 2003.

§ 85. (1) Until the 31st day of December 2003 inclusive, cash unemployment benefits under Chapter Four "A" of the Compulsory Social Insurance Code shall be granted and paid by the National Employment Agency.

(2) Until the 31st day of December 2003 inclusive, cash unemployment benefits shall be granted, modified, refused, suspended, terminated, resumed and re-granted by a decision of the director of the local division of the National Employment Agency.

(3) Until the 31st day of December 2003 inclusive, cash unemployment benefits received in the cases under Article 54f and Article 54g (2), shall be restituted on the basis of a decision of the director of the local division of the National Employment Agency.

(4) The decisions under Paragraphs (2) and (3) shall be subject to judicial appeal according to the procedure established by the Administrative Procedure Code.

(5) The local divisions of the National Employment Agency shall be obligated to provide the competent local divisions of the National Social Security Institute with the entire information regarding the persons receiving unemployment benefits and regarding the amount of such benefits on a monthly basis.

(6) The local divisions of the National Social Security Institute shall verify the data and shall transfer the amounts due for payment of unemployment benefits and for postal charges to the competent local divisions of the National Employment Agency.

(7) The local divisions of the National Employment Agency shall account to the competent local divisions of the National Social Security Institute for the payments effected not later than the end of each month.

(8) Until the 31st day of December 2003, any violations under Chapter Four "A" of the Compulsory Social Insurance Code, committed by any persons receiving unemployment benefits, shall be ascertained by written statements drawn up by officials designated by the Executive Director of the National Employment Agency, and the penalty decrees shall be issued by the director of the competent local division of the National Employment Agency or by an official authorized thereby according to the procedure established by the Administrative Violations and Sanctions Act.

§ 86. The Minister of Labour and Social Policy and the Governor of the National Social Security Institute shall determine the scope and procedure for transfer of the tangible assets and human resources from the National Employment Agency to the National Social Security Institute, together with the requisite maintenance.

§ 87. (Amended, SG No. 119/2002) (1) Until the 31st day of December 2004, social insurance contributions to the Pensions Fund shall be remitted on the cash benefit for the periods of temporary disability or pregnancy and child-birth, which count as length of employment service. In such cases, the social insurance contribution shall be at a rate equal to the portion due by the employer and shall be remitted only by the employer. The same rate of contribution shall apply to persons who insure themselves only for their own account. Supplementary compulsory retirement insurance contributions shall not be remitted on cash benefits for temporary disability or for pregnancy and child-birth.

(2) (Amended, SG No. 69/2004) For the time commencing on the 1st day of January 2000 and ending on the 31st day of December 2004, the periods of temporary disability and pregnancy and child-birth, during which cash benefits were received, on which social insurance contributions are due or have been remitted under Paragraph 1, as well as the period of leave for

pregnancy and child-birth during which cash benefits were not paid, shall count as contributory service.

(3) Upon granting of pensions, if the period commencing on the 1st day of January 2000 and ending on the 31st day of December 2004 is included, and the persons have received cash benefits for temporary disability and for pregnancy and child-birth during that period, the amount of the benefit on which contributions have been remitted or are due shall be taken into consideration.

§ 88. Any amounts under orders issued in pursuance of § 10 and 11 shall be due for the period until the 31st day of December 2001.

§ 89. The Pensions of teachers, paid from the Teachers Pension Fund and granted until the 31st day of December 2001, shall be recalculated according to the procedure established by § 5 (2) of the Transitional and Final Provisions of this Act.

§ 90. Until the 31st day of December 2002, the National Social Security Institute shall perform the activity under Article 123 in respect of career servicemen, in respect of civil servants who are commissioned and non-commissioned officers and civilian employees under the Ministry of Interior Act, in respect of persons under § 19 of the Transitional and Final Provisions of the Act to Amend and Supplement the Implementation of Penal Sanctions Act (State Gazette No. 73 of 1998), and in respect of employees of the National Intelligence Service.

§ 95. Until the 31st day of March 2002, granting and payment of pensions may be effected against presentation of passports issued according to the procedure established by the Decree No. 2772 on Passports and Address Registration of the Citizens of the Republic of Bulgaria (promulgated in the State Gazette No. 100 of 1980; amended in No. 11 of 1998) as superseded.

TRANSITIONAL AND FINAL PROVISIONS

to the Financial Supervision Commission Act

(Promulgated, SG No. 8/2003, effective 1.03.2003)

§ 5. The statutory instruments of secondary legislation adopted on the application of the Public Offering of Securities Act, the Insurance Act, the Compulsory Social Insurance Code, the Supplementary Voluntary Retirement Insurance Act, the Health Insurance Act and the Protection in Unemployment and Employment Promotion Act shall continue in effect insofar as they do not come into conflict with this Act.

§ 10. The Compulsory Social Insurance Code (promulgated in the State Gazette No. 110 of 1999; modified by Constitutional Court Judgment No. 5 of 2000, promulgated in No. 55 of 2000; amended in No. 64 of 2000, Nos. 1, 35, and 41 of 2001, Nos. 1, 10, 45, 74 and 112 of 2002) shall be amended and supplemented as follows:

3. Throughout the Code, with the exception of the texts under Items 1 and 2, the designation "the State Social Insurance Supervision Agency" and the words "the Agency" and "the Chairperson of the State Social Insurance Supervision Agency" shall be replaced by "the Deputy Chairperson in charge of the Social Insurance Supervision Department of the Financial Supervision Commission".

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TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Compulsory Social Insurance Code

(Promulgated, SG No. 67/2003, amended, SG No. 92/2017)

§ 108. (1) Licences issued by the State Social Insurance Supervision Agency to retirement insurance companies and to actuaries for supplementary retirement insurance prior to the entry of this Act into force shall continue in effect.

(2) The consents granted for recording at the court of supplementary compulsory retirement insurance funds shall continue in effect until the automatic issuance of a pension fund management authorization.

(3) Any proceedings before the Commission or the Deputy Chairperson of the Commission pending upon the entry of this Act into force shall continue under the terms and according to the provisions established by this Act.

§ 109. Within three months after the entry of this Act into force, the Deputy Chairperson of the Commission shall automatically issue authorizations under Article 145 and 217 to the companies under § 108 for the supplementary retirement insurance funds managed thereby, without payment of a fee.

§ 110. (1) The companies under § 108 shall be obligated, within nine months after the entry of this Act into force, to bring their activity into conformity with its provisions and to present the requisite documents to the Financial Supervision Commission.

(2) Any companies that fail to fulfil their obligation under Paragraph 1 shall forfeit the licence thereof and proceedings for their coercive dissolution shall be initiated according to the procedure established by Article 331.

(3) The Deputy Chairperson of the Commission shall revoke the licence issued automatically according to the procedure established by § 109 of any companies that fail to bring the activity of a supplementary retirement insurance fund managed thereby into conformity with this Act.

§ 111. The companies under § 108 shall be obligated, within one year after the entry of this Act into force, to bring their capital into conformity with the requirements under Article 121c (2) and (4). Upon the lapse of this time limit, the equity capital (capital base) under Article 121c (4) may not be less than BGN 1,500,000.

§ 112. The amount of the reserve under Article 193 (8) shall be determined as a percentage of the assets of the supplementary retirement insurance funds managed by the company, and may not be less than:

1. for 2003: 0.2 per cent;
2. for 2004: 0.4 per cent;
3. for 2005: 0.6 per cent;
4. for 2006: 0.8 per cent;
5. for 2007 and thereafter: 1 per cent.

§ 113. (1) Reporting of the resources accrued on the individual accounts of the insured persons in terms of units shall apply as from the 1st day of July 2004.

(2) Until the 1st day of July 2004, the individual accounts of the insured persons shall be kept and the return shall be allocated in the manner and according to the procedure established prior to the entry of this Act into force.

§ 114. (1) As from the entry of this Act into force, the retirement insurance companies managing supplementary voluntary retirement insurance funds shall be obligated to discontinue the application of pension schemes which ensure coverage exceeding the amounts accrued on the individual account upon granting of invalidity and survivor pensions, by means of forming pooled accounts.

(2) Any pensions under pension schemes under Paragraph 1, granted until the entry of this Act into force, shall continue to be paid.

(3) In cases where, according to the rules of the retirement insurance company, invalidity or survivor pensions are paid from pooled accounts under Paragraph 1, the present value of the obligations to pensioners assumed until the entry of this Act into force shall be set aside in a separate account. The pooled account shall be reduced by the amount of resources set aside.

(4) The balance after deduction of amounts under Paragraph 3 shall be allocated to the individual accounts of persons insured under the respective scheme in direct proportion to the amount of contributions paid to the pooled accounts during the period of insurance, subject to the condition that their social insurance contracts with the respective retirement insurance company have not been terminated at the time of entry of this Act into force.

(5) The mortality table, disablement table, technical interest rate and other actuarial assumptions for the respective pension scheme, as approved by the State Social Insurance Supervision Agency prior to the entry of this Act into force, shall be used upon determination of the amount of present value of obligations to pensioners under Paragraph 3.

§ 115. Any supplementary compulsory retirement insurance contributions paid in 2002 for persons under Item 4 of Article 4 (1) shall remain as revenue to the public social insurance budget.

§ 116. (Repealed, SG No. 92/2017).

§ 117. Any persons, who have been granted invalidity pensions until the 31st day of December 1999 and who have not logged any contributory service after that date, may request recalculation of their pension according to the procedure established by Articles 75 to 77 and Article 79, if that is more favourable for the said persons. The pension shall be determined as from the date of application.

§ 118. Any obligations rescheduled until the 31st day of December 2003 according to the procedure established by Article 116 shall be collected with legal interest.

§ 119. (1) Not later than the 31st day of December 2004, the Financial Supervision Commission shall adopt the ordinances provided for in the Code.

(2) Until adoption of the statutory instruments of secondary legislation under Paragraph 1, the statutory instruments on application of the Compulsory Social Insurance Code and on application of the Supplementary Voluntary Retirement Insurance Act shall continue in effect insofar as they do not come into conflict with this Act.

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§ 126. (1) § 7, 8, 9 and 22 herein shall enter into force on the 1st day of January 2003.

(2) § 18, 20, 21, 27 and Item 2 of § 45 herein shall enter into force on the 1st day of January 2004.

(3) § 125 herein shall enter into force on the 1st day of July 2003.

ACT to Supplement the 2004 Public Social Insurance Budget Act
(Promulgated, SG No. 21/2004, effective 1.01.2004)

§ 1. In the Transitional and Final Provisions, there shall be added a new § 8:

"§ 8. § 3 herein shall enter into force on the 1st day of January 2004, except for Item 12, in regard to Article 48a of the Social Insurance Code, and Item 13, in regard to Article 52a of the Social Insurance Code, which shall apply as from the 1st day of July 2004".

TRANSITIONAL AND FINAL PROVISIONS

to the 2005 Public Social Insurance Budget Act

(Promulgated, SG No. 112/2004, effective 1.01.2005)

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§ 5. Pensions of teachers, paid from the Teachers Pension Fund and granted until the 31st day of December 2004, shall be recalculated as from the 1st day of January 2005 according to the procedure established by § 5 (2) and (3) of the Transitional and Final Provisions of the Social Insurance Code.

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TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(Promulgated, SG No. 38/2005, amended and supplemented,

SG No. 104/2005, effective 27.12.2005, amended, SG No. 68/2006)

§ 7. (1) (Amended, SG No. 68/2006) All legal and natural persons, government institutions, municipalities or mayors, which or who have safe custody of payrolls of dissolved social insurance contributors which have no legal successor, shall be obligated to deliver the said payrolls to the competent local division of the National Social Security Institute within two years after the 1st day of July 2005, unless a law provides for another procedure for safe custody of the said payrolls.

(2) All mayors, who have safe custody of any documents regarding contributory service and contributory income of persons who have worked in the organizations under § 12 of the Ownership and Use of Agricultural Land Act, shall be obliged to deliver the said documents to the competent local division of the National Social Security Institute within the time limit under Paragraph 1.

(3) (New, SG No. 104/2005, effective 27.12.2005) Any social insurance contributors, who or which discontinue the activity thereof during the period from the 1st day of July and until the 31st day of December 2005 and have no legal successor, shall submit the documents referred to in Article 5 (10) of the Social Insurance Act to the competent local division of the National Social Security Institute not later than the 31st day of December 2006.

§ 8. (Amended, SG No. 104/2005, effective 27.12.2005) Until the 31st day of December 2006, the cash benefits for temporary disability, pregnancy, child-birth and child-care, as well as other benefits from public social insurance, shall be paid through the social insurance contributors within the time limit for payment of remunerations to the insured persons.

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§ 10. Item 3 of § 1 and § 9 herein shall enter into force on the 1st day of January 2006.

§ 11. Item 1 of § 6 herein shall enter into force on the 1st day of January 2005.

TRANSITIONAL AND FINAL PROVISIONS

to the 2006 Public Social Insurance Budget Act

(Promulgated, SG No. 104/2005, effective 1.01.2006)

§ 2. A general reserve of the funds under Article 18 of the Social Insurance Code shall not be allocated for 2006, but the amounts under the audit deficit deeds shall be credited in revenue to the budget of the National Social Security Institute.

§ 6. In 2006 the pensions granted until the 31st day of December of the previous year shall be indexed as from the 1st day of January by a decision of the Supervisory Board of the National Social Security Institute. The amounts of the pensions shall be indexed by a percentage in accordance with the the increase of the national contributory income and the increase of the consumer price index for the preceding calendar year.

§ 7. The common disease invalidity pensions granted until the 1st day of January 2006 shall be re-calculated according to the procedure established by Article 75 (1) and (2) of the Social Insurance Code.

TRANSITIONAL AND FINAL PROVISIONS

to the Tax and Social-Insurance Procedure Code

(Promulgated, SG No. 105/2005, effective 1.01.2006)

§ 4. Any deferred or rescheduled public claims under the Tax Procedure Code as hereby superseded, the Social Insurance Code and the Health Insurance Act, whereof the time limit for payment expires after the entry of this Code into force, shall remain in effect until final settlement in accordance with the authorisation granted.

§ 5. (1) The provisions of this Code shall furthermore be applied by the authorities of the National Revenue Agency or by the authorities of the State Receivables Collection Agency, as the case may be, to the procedural actions taken in respect of administrative and enforcement proceedings under Chapter Seven of the Social Insurance Code pending at the date of entry into force of the Tax and Social-Insurance Procedure Code.

(2) Any proceedings under Chapter Eight and under Articles 349 and 350 of the Social Insurance Code, which have been instituted prior to the date of entry of this Code into force, shall be completed by the authorities of the National Social Security Institute according to the hitherto effective procedure. Any proceedings for the issuance of a directive under Article 110 (3) of the Social Insurance Code and any proceedings for an appeal of any such directive shall be completed according to the hitherto effective procedure by the authorities of the National Social Security Institute, if a deficit deed has been drawn up prior to the entry into force of the Tax and Social-Insurance Procedure Code.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(Promulgated, SG No. 17/2006, amended, SG No. 41/2009, effective 2.06.2009)

§ 18. The retirement insurance companies shall be obligated to bring the activity thereof into conformity with this Act and to submit the requisite documents to the Financial Supervision Commission within twelve months after the entry of this Act into force but not later than the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

§ 19. Until the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union, a retirement insurance company may invest no more than 15 per cent of the assets of a supplementary compulsory retirement insurance fund or, respectively, no more than 20 per cent of the assets of a supplementary voluntary retirement insurance fund, in securities referred to in Items 10, 11, 12 and 13 of Article 176 (1) of the Social Insurance Code.

§ 20. The requirement of assignment of a credit rating, referred to in Item 5 of Article 176 (1) of the Social Insurance Code, shall enter into force as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union and shall apply to bank deposit contracts concluded after the said date.

§ 21. (Amended, SG No. 41/2009, effective 2.06.2009) The provision of Item 15 of Article 176 (1) of the Social Insurance Code shall apply as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

§ 22. (Amended, SG No. 41/2009, effective 2.06.2009) The provision of Item 16 of Article 176 (1) of the Social Insurance Code regarding investment estates in a Member State of the European Union or in another Contracting State to the Agreement on the European Economic Area shall apply as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

TRANSITIONAL AND FINAL PROVISIONS

to the Administrative Procedure Code

(Promulgated, SG No. 30/2006, effective 12.07.2006)

§ 11. The Social Insurance Code (promulgated in the State Gazette No. 110 of 1999; modified by Constitutional Court Judgment No. 5 of 2000, promulgated in No. 55 of 2000; amended in No. 64 of 2000, Nos. 1, 35, and 41 of 2001, Nos. 1, 10, 45, 74, 112, 119 and 120 of 2002, Nos. 8, 42, 67, 95, 112 and 114 of 2003, Nos. 12, 38, 52, 53, 69, 70, 112 and 115 of 2004, Nos. 38, 39, 76, 102, 103, 104 and 105 of 2005 and No. 17 of 2006) shall be amended as follows:

4. Throughout the Code, the words "the Administrative Procedure Act" and "Article 7 (2) and Article 11 (1) of the Administrative Procedure Act" shall be replaced by "the Code of Administrative Procedure".

§ 142. This Code shall enter into force three months after the promulgation thereof in the State Gazette with the exception of:

1. Title Three, Item 1 of § 2 and Item 2 of § 2 herein (in respect of the repeal of Chapter Three, Section II "Appeal Before the Court" of the Administrative Procedure Act), Items 1 and 2 of § 9, Items 1 and 2 of § 11, § 15, Items 1 and 2 of § 44, Item 1 of § 51, Item 1 of § 53, Item 1 of § 61, Item 3 of § 66, Items 1 to 3 of § 76, § 78, § 79, Item 1 of § 83, Items 1 and 2 of § 84, Items 1 to 4 of § 89, Item 1 of § 101, Item 1 of § 102, § 107, Items 1 and 2 of § 117, § 125, Items 1 and 2 of § 128, Item 2 of § 132 and Item 1 of § 136, as well as § 34, Item 2 of § 35, Item 2 of § 43, Item 1 of § 62, Items 2 and 4 of § 66,

Item 2 of § 97, and Item 1 of § 125 herein (in respect of the replacement of the word "district" by "administrative" and the replacement of the words "the Sofia City Court" by "the Sofia City Administrative Court"), which shall enter into force as from the 1st day of March 2007;

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TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(Promulgated, SG No. 56/2006, effective 1.01.2007)

§ 65. The retirement insurance companies shall bring the technical provisions thereof into conformity with the requirements of Articles 121c, 213a, 213b and Article 234 (13) herein in respect of the activities thereof on cross-border occupational schemes from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union.

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§ 67. This Act shall enter into force as from the date of entry into force of the Treaty concerning the Accession of the Republic of Bulgaria to the European Union, with the exception of § 6, 10 and 11, which shall enter into force three days after the promulgation of this Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(Promulgated, SG No. 57/2006, effective 1.07.2006)

§ 5. The minimum amount of the contributory-service and retirement-age pension under Article 69 (1) to (3) of the Social Insurance Code for the period commencing on the 1st day of July and ending on the 31st day of December 2006 shall be determined by the Council of Minister on a motion by the Minister of Labour and Social Policy and the National Social Security Institute.

§ 6. Work-contingent pensions shall be indexed once as from the 1st day of July 2006 according to a procedure and in a manner established by the Council of Ministers, in accordance with the implementation of the 2006 Public Social Insurance Budget Act and the 2006 State Budget of the Republic of Bulgaria Act.

§ 7. This Act shall enter into force on the 1st day of July 2006.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(Promulgated, SG No. 68/2006, corrected, SG No. 76/2006)

§ 8. The period until the 30th day of April 2006, during which the persons were civil servants who were commissioned and non-commissioned officers and civilian employees of the Ministry of Interior and under the Implementation of Penal Sanctions Act, shall count as contributory service under Article 69 (2) of the Social Insurance Code.

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§ 10. (Corrected, SG No. 76/2006) The contributory service of the persons who, until the entry of this Act into force, have worked as mine rescuers up to mine rescue service (post) chief inclusive, shall be converted under the terms established by Article 104 (3) of the Social Insurance Code.

§ 11. Item 2 of § 1 and § 6 herein shall enter into force on the 1st day of May 2006, and Item 1 of § 1, § 3 and 9 shall enter into force on the 1st day of January 2007.

(*) ACT to Amend the Commercial Register Act
(SG No. 80/2006, effective 3.10.2006)

§ 1. In § 56 of the Transitional and Final Provisions the words "1 October 2006" shall be replaced by "1 July 2007".

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TRANSITIONAL AND FINAL PROVISIONS
of the Income Taxes on Natural Persons Act
(SG No. 95/2006, effective 1.01.2007)

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§ 11. Everywhere in the Social Insurance Code the words "the Personal Income Tax Act" shall be replaced by "the Income Taxes on Natural Persons Act".

FINAL PROVISION
to the Act to Amend and Supplement the Social Insurance Code
(Promulgated, State Gazette No. 41/2007)

§ 13. § 4 herein shall enter into force on the 1st day of January 2008.

(**) ACT to Amend the Commercial Register Act
(SG No. 53/2007, effective 30.06.2007)

§ 1. In § 56 of the Transitional and Final Provisions, the words "1 July 2007" shall be replaced by "1 January 2008".

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TRANSITIONAL AND FINAL PROVISIONS
to the 2009 Public Social Insurance Budget Act

§ 8. The Act shall enter into force on 1 January 2009, with the exception of § 4, Items 30 and 39, which shall enter into force on 1 April 2009, and § 4, Item 40, which shall enter into force on 1 July 2009.

TRANSITIONAL AND FINAL PROVISIONS

to the Republic of Bulgaria Defence and Armed Forces Act

(SG No. 35/2009, effective 12.05.2009)

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§ 44. Within three months of the entry into force of this Act the Council of Ministers on a proposal of the Minister of Defence in coordination with the Minister of Labour and Social Policy shall submit to the National Assembly a bill on amending and supplementing the Social Insurance Code pursuant to which a military pension fund shall be established for paying supplements to servicemen's pensions.

§ 45. (1) Within six months of the entry into force of this Act the Council of Ministers shall adopt the regulation and the other secondary normative acts on its implementation and shall determine criteria for the levels of risk of participation in operations and missions outside the country pursuant to Article 104, paragraphs 7 and 8 of the Social Security Code.

(2) Within one year of the entry into force of this Act the Council of Ministers shall adopt a State Wartime Plan.

(3) Until the adoption of secondary normative acts on the Act's implementation secondary normative acts issued pursuant to the repealed Republic of Bulgaria Defence and Armed Forces Act shall apply, inasmuch as they do not contradict this Act.

.....

FINAL PROVISION

to the Act for Amend and Supplement the Social Insurance Code

(SG No. 41/2009, effective 2.06.2009)

§ 8. The Act shall enter into force in the day of it's promulgation in the State Gazette

TRANSITIONAL AND FINAL PROVISIONS

to the Act for Amend and Supplement the Health Act

(Promulgated, SG No. 41/2009, effective 2.06.2009)

.....

§ 96. The Act shall enter into force in the day of it's promulgation in the State Gazette, with exception of:

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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 on 1 July 2009.

.....

TRANSITIONAL AND FINAL PROVISIONS

to the 2010 Public Social Insurance Budget Act

(SG No. 99/2009, effective 1.01.2010)

§ 1. Upon proposal of the director of the National Social Security Institute (NSSI), the Supervisory Board shall approve the necessary adjustments in respect of individual items of expenses without exceeding the total amount of expenses, as approved by virtue of this act. This shall not apply to amounts for the account of the executive budget and expenses incurred by the NSSI on the grounds of other statutory instruments and projects outside the scope of the Social Insurance Code which are funded by transfers not covered herein and which do not result in lessening the balance of public social insurance. The aforementioned expenses are accounted for and reported within the budget of the NSSI, which may be exceeded by their respective amounts

§ 2. No general reserve of the funds referred to in Article 18 of the Social Insurance Code shall be accrued for 2010. Principal amounts under audit statements of deficit for periods prior to 1 January 2006 shall be credited to the Pensions Fund, and principal amounts under audit statements of deficit drawn up by the NSSI after 31 December 2005 shall be credited to the budget of the NSSI. Interest amounts under audit statements of deficit shall be credited to the budget of the NSSI.

§ 3. For 2010, the necessary funds as childcare cash benefits laid down by Article 53 of the Social Insurance Code shall be remitted as a transfer from the Common Disease and Maternity Fund into the budget of the Ministry of Labour and Social Policy by the 10th day of the month following the relevant quarter. The transfer shall be made for each person actually employed under the Maternity Support Programme.

§ 4. (Effective 15.12.2009 - SG No. 99/2009) Contingent deficit of expenses for insurance contributions, including for 2009, shall be covered by a transfer from the executive budget.

§ 5. (1) The contributions due for the Factory and Office Workers' Guaranteed Claims Fund and the Teachers' Pension Fund shall be paid through the bank accounts of the National Revenue Agency intended for collection of insurance contributions for public social insurance.

(2) The funds under Paragraph 1 for the Factory and Office Workers' Guaranteed Claims Fund and the Teachers' Pension Fund shall be transferred regularly to each fund's relevant bank account with the Bulgarian National Bank.

(3) The bank accounts of the National Revenue Agency intended for collection of revenues from contributions for the Factory and Office Workers' Guaranteed Claims Fund and the Teachers' Pension Fund shall be closed.

(4) The Minister of Finance and the Governor of the Bulgarian National Bank shall set out the procedure and method of implementation of Paragraphs 1 through 3.

.....

§ 8. (1) Pensions for the year 2010 shall not be updated as per the procedure laid down in Article 100 of the Social Insurance Code.

(2) Indexation of pensions for 2010 may be carried out as per the procedure and method set by the Council of Ministers in accordance with the implementation of the 2010 consolidated fiscal programme.

§ 9. Registered agricultural producers and tobacco producers who perform only farming activities and are insured only against disability due to common disease, against old age as well as death may pay insurance contributions due for 2009 by 31 March 2010, with no interest due thereof.

§ 10. Preventive care and rehabilitation activities for 2010 shall be performed only in companies which have the National Social Security Institute as the sole owner of their capital.

.....

§ 12. This Act shall enter into force as from 1 January 2010, with the exception of § 4 which shall be enforced on the Act's promulgation date in the State Gazette.

.....
ACT to Amend and Supplement the Social Insurance Code
(SG No. 19/2010, amended, SG No. 100/2010, effective 1.01.2011)
.....

Supplementary Provision

§ 12. This Act introduces 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 Final Provisions

§ 13. This Act shall also apply with respect to applications for transfer of pension rights submitted prior to the Act's entry into force.

§ 14. The Council of Ministers shall adopt the ordinance under Article 343f within 6 months following the promulgation of this Act in the State Gazette.

.....
§ 17. (Amended, SG No. 100/2010, effective 1.01.2011) Paragraph 2 shall become effective within 6 months following the entering into force of this Act and shall also apply to posted persons, for whom the Bulgarian legislation is applied, deemed 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 become effective as of 28 February 2010.

TRANSITIONAL AND FINAL PROVISIONS

to the Act for Amend and Supplement the Medical-Treatment Facilities Act

(Promulgated, SG No. 59/2010, effective 31.07.2010)
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§ 66. In the Social Insurance Code (promulgated, SG No. 110/1999; Decision No. 5 of the Constitutional Court of the Republic of Bulgaria of 29.06.2000 - SG No. 55/2000; amended, No. 64/2000; No. 1, 35 and 41/2001, No. 1, 10, 45, 74, 112, 119 and 120/2002, No. 8, 42, 67, 95, 112 and 114/2003, No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, No. 38, 39, 76, 102, 103, 104 and 105/2005, No. 17, 30, 34, 56, 57, 59 and 68/2006; corrected, No. 76/2006; amended, No. 80, 82, 95, 102 and 105/2006, No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, No. 33, 43, 67, 69, 89, 102 and 109/2008, No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009 and No. 16, 19, 43 and 49/2010) the following amendments and supplementments shall be made:
.....

§ 77. The Act shall become effective from the day of it's the promulgation thereof in the State Gazette with the exception of:

1. Paragraph 9 (regarding Article 19, paragraph 4), 53, 60 and 66 (regarding Article 98, paragraph 5 and 6), which shall enter into force from 1.01.2011;

2. Paragraph 75, which shall enter into force from 30.09.2011;

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TRANSITIONAL AND FINAL PROVISIONS

to the Act Amending and Supplementing the Ministry of Interior Act

(SG No. 88/2010, effective 9.11.2010)

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§ 114. (Effective 1.01.2011 - SG No. 88/2010) In the Social Insurance Code (promulgated, SG No. 110/1999; Decision No. 5 of the Constitutional Court of the Republic of Bulgaria of 29.06.2000 - SG No. 55/2000; amended, No. 64/2000; No. 1, 35 and 41/2001, No. 1, 10, 45, 74, 112, 119 and 120/2002, No. 8, 42, 67, 95, 112 and 114/2003, No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, No. 38, 39, 76, 102, 103, 104 and 105/2005, No. 17, 30, 34, 56, 57, 59 and 68/2006; corrected, No. 76/2006; amended, No. 80, 82, 95, 102 and 105/2006, No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, No. 33, 43, 67, 69, 89, 102 and 109/2008, No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009 and No. 16, 19, 43 and 49/2010, 58/2010, 59/2010) in Article 69, Paragraph 5, the words "Fire Safety and Directorate General" shall be replaced with "Fire Safety and Protection of the Population Directorate General" and the words "Article 52e, Paragraph 2, Item 1, letters "c", "d" "e" and "f", shall be replaced with "Article 52d, Paragraph 2, Items 8 and 9".

.....

§ 117. The Act shall become effective from the day of its promulgation in the State Gazette, except § 1 - 23, § 25, § 27 - 30, § 32 - 34, § 40, § 41, § 43 - 55, § 63 - 89 and § 91 - 114, which shall become effective from 1.01.2011.

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ACT Amending and Supplementing the Social Insurance Code

(SG No. 100/2010, effective 1.01.2011, amended, SG No. 60/2011,

SG No. 100/2011, effective 1.01.2012, SG No. 99/2012, effective 1.01.2013)

.....

§ 50. Throughout the Code, "Article 68, Paragraphs 1 to 3" shall be replaced by "Article 68(1)", and Article 68, Paragraphs 1 and 2.

Transitional and Final Provisions

.....

§ 58. The contributory service acquired under the conditions set out in the first and second sentence of Article 70(1) prior to 31 December 2010 shall be taken into account when determining the amount of the pension after 31 December 2010 as well.

§ 59. (1) Any employment relationships existing at the time of entry into force of this Act entered into with the heads of local divisions of the national Social Security Institute prior to 31 December 2009 for an unlimited term shall be retained until a competition is held in respect of the relevant position.

(2) The competitions under Paragraph 1 shall be announced within two months upon the entry into force of this Act.

§ 60. Cash benefits for temporary disability, pregnancy and child-birth, unemployment and occupational rehabilitation granted with a start date before 31 December 2010 shall continue to be paid in the amount previously determined until their expiration date.

§ 61. Cash benefits granted with a start date before 31 December 2010 under the repealed Article 54i shall continue to be paid until their expiration date.

§ 62. (1) The contributory service of the entitled persons under Article 104(7) and (8) shall be determined on the basis of certificates of contributory service (including for participation in missions and operations outside the territory of Bulgaria completed or commenced prior to 12 May 2009) issued as per the procedure laid down in the Regulations on the Criteria Concerning the Level of Risk in Operations and Missions Outside the Territory of Bulgaria (SG No. 80/2010) under § 45(1) of the Transitional and Final Provisions of the Defence and Armed Forces of the Republic of Bulgaria Act.

(2) Contributory-service and retirement-age pensions granted to persons under Article 69 who have participated in operations and missions outside the territory of Bulgaria shall be recalculated as from 12 May 2009, if the persons concerned submit a request and a certificate of contributory service to the relevant local division of the National Social Security Institute within one year after the entry into force of this Act.

§ 63. (Amended, SG No. 60/2011, effective 5.08.2011, repealed, SG No. 99/2012, effective 1.01.2013).

§ 64. (Repealed, SG No. 100/2011, effective 1.01.2012).

§ 65. (Amended, SG No. 60/2011, effective 5.08.2011) This Act shall enter into force on 1 January 2011, excluding the provisions of § 32, 33, 36 and 51 which shall enter into force on 1 January 2012:

1. § 32, § 33 and § 36, which shall take effect as of 1 January 2013;

2. § 51, which shall take effect as of 1 January 2012.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(SG No. 60/2011, effective 5.08.2011)

§ 21. (1) No interest shall be payable on established liabilities of insured or self-insured persons in relation to cash benefits received for periods prior to this Act's entry into force in breach of Article 53(4), where the child concerned was placed in a children's establishment, including a creche.

(2) Paragraph 1 shall apply provided that:

1. the persons concerned pay the full principal amount of their liability within 6 months after this Act's entry into force, if such liability has been established through an effective order by the date of this Act's entry into force, including cases where it has been rescheduled in accordance with the procedure provided for by Article 116;

2. the persons in respect whereof the order establishing the liabilities has taken effect after the date of this Act's entry into force pay their liability within 6 months after the order takes effect.

(3) Within one month after this Act's entry into force, the local divisions of the National Social Security Institute shall notify the persons referred to in Paragraph 1 whose liabilities have been rescheduled pursuant to Article 116, and such persons shall have the right to request changes in the terms and conditions of payment of the liabilities.

(4) In respect of liabilities paid until this Act's entry into force, the National Social Security Institute shall reimburse the relevant insured or self-insured persons for any interest paid.

(5) Requests for interest reimbursement under Paragraph 4 shall be submitted to the relevant local division of the National Social Security Institute within one year of this Act's entry into force. The relevant amount shall be reimbursed within two months after the request is submitted through a bank transfer to an account specified by the person concerned.

§ 22. (1) Persons who have submitted a pension request pursuant to § 4(1), (2) and (3) of the Transitional and Final Provisions shall also submit, between 18 June 2011 and this Act's entry into force, an application requesting that the funds of their individual account with the occupational pension fund be transferred to the Pensions Fund of the public social insurance system.

(2) The application referred to in Paragraph 1 shall be submitted to the relevant local division of the National Social Security Institute wherewith the pension request was submitted, within three months of this Act's entry into force.

§ 23. The relations between the National Social Security Institute and the retirement insurance companies related to transferring the funds of the persons referred to in § 4a(1) and § 4b(1) of the Transitional and Final Provisions shall be settled through a contract between the National Social Security Institute and the retirement insurance companies, such contract to be coordinated with the National Revenue Agency. Such contract shall be concluded within one month after this Act is promulgated in the State Gazette.

.....

§ 25. This Act shall take effect as of the date when it is promulgated in the State Gazette, except for:

1. § 2, which shall take effect as of the first day of the month following the month in which this Act takes effect;
2. § 19, Items 1 and 2 in relation to § 4b(1) - (7), which shall take effect as of 18 June 2011.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Civil Servants Act

(Promulgated, SG No. 38/2012, effective 1.07.2012)

.....

§ 84. (Effective 18.05.2012 - SG No. 38/2012) Within one month after the promulgation of this Act in the State Gazette:

1. the Council of Ministers shall bring the Classifier of Positions in the Administration into conformity with this Act;
2. the competent authorities shall bring the organic acts of the respective administration into conformity with this Act.

§ 85. (1) The legal relationships with the persons of the administrations under the Radio and Television Act, the Independent Financial Audit Act, the Electronic Communications Act, the Financial Supervision Commission Act, the Access to and Disclosure of the Documents and Announcing the Affiliation of Bulgarian Citizens with the State Security Service and the Intelligence Services of the Bulgarian Popular Army Act, the Criminal Assets Forfeiture Act, the Conflict of Interest Prevention and Ascertainment Act, the Social Insurance Code, the Health Insurance Act, the Agricultural Producers Support Act and the Roads Act shall be settled under the terms established by § 36 of the Transitional and Final Provisions of the Act to Amend and Supplement the Civil Servants Act (State Gazette No. 24 of 2006).

(2) The act on appointment of the civil servant shall:

1. award the lowest rank designated in the Classifier of Positions in the Administration for occupation of the position, unless the servant holds a higher rank;

2. fix an individual monthly basic salary.

(3) The additional resources required for social and health insurance contributions of the persons referred to in Paragraph (2) shall be provided within the limits of the expenditures on salaries, remunerations and compulsory social and health insurance contributions under the budgets of the spending units concerned.

(4) The Council of Ministers shall effect the requisite modifications under the off-budget account of State Fund Agriculture arising from this Act.

(5) The governing bodies of the National Social Security Institute and of the National Health Insurance Fund shall effect the requisite modifications under the respective budgets arising from this Act.

(6) Any unused leaves under the employment relationships shall be retained and shall not be compensated by cash compensations.

§ 86. (1) Within one month after the entry into force of this Act, the individual monthly basic salary of the servant shall be fixed in such a way that the said salary, net of the tax due and the compulsory social and health insurance contributions for the account of the insured person, if they were due, would not be lower than the gross monthly salary received theretofore, net of the compulsory social and health insurance contributions for the account of the insured person, if they were due, and the tax due.

(2) The gross salary referred to in Paragraph (1) shall include:

- 1. the monthly basic salary or the monthly basic remuneration;
- 2. supplementary remunerations which are paid constantly together with the monthly basic salary or monthly basic remuneration due and which are contingent solely on the time worked.

§ 87. This Act shall enter into force as from the 1st day of July 2012 with the exception of § 84 herein, which shall enter into force as from the day of promulgation of the Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Act Amending and Supplementing the Ministry of Interior Act

(SG No. 44/2012, effective 1.07.2012)

§ 54. (1) Established hereunder Directorate General "National Police" is the successor of the assets, liabilities, rights and obligations of the General Directorate "Criminal Police" and the General Directorate "Security Police".

(2) Legal representation in pending resolution of the General Directorate "Criminal Police" and the General Directorate "Security Police" shall be conducted by the Director of the Directorate General "National Police".

§ 55. With the entry into force of this law existing business and employment, civil servants and persons employed by the Chief Directorate "Criminal Police" and the General Directorate "Security Police" are mapped out in business and employment of civil servants and persons employed by the Directorate General "National Police".

§ 56. Regulations issued before the entry into force of this Act shall apply to the issuing of new acts, as do not conflict.

§ 57. Experience acquired under the Civil Code and the labor of employees under § 64 of the Transitional and Final Provisions of the Law amending the Law on the Ministry of Interior (SG No. 93/2009) respecting to work for the same employer, the corresponding body.

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TRANSITIONAL AND FINAL PROVISIONS

to the amendment of Law on Value Added Tax

(SG No. 94/2012, effective 1.01.2013)

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§ 47. In the Social Insurance Code (promulgated, SG No. 110/1999, Judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 - SG No. 55/7.07.2000, amended, SG No. 64/2000, No. 1, 35 and 41/2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17, 30, 34, 56, 57, 59 and 68/2006, corrected, SG No. 76/2006, amended, SG No. 80, 82, 95, 102, 105/2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010, Judgment No.7/31.05.2011 of the Constitutional Court of the Republic of Bulgaria - SG No. 45/14.06.2011, amended, SG No. 60, 77 and 100/2011 and SG No. 7, 21, 38, 40, 44, 58, 81 and 89/2012) shall be amended as follows:

.....

§ 65. This Act shall enter into force on 1 January 2013, except § 61, item 2, letter "a", Items 3, 4 and 6, 7 - on article 86, paragraph 7, and item 9 and § 64, which shall enter into force on the date of promulgation of this Act, "State Gazette", § 61, item 5, item 7 - on Article 86, paragraphs 5 and 6, and item 8, which come into force on April 1, 2013, and § 47, item 9, letter "c" - on Article 159, paragraph 5, and item 11, which shall enter into force on 1 July 2013.

TRANSITIONAL AND FINAL PROVISIONS

to the 2013 Public Social Insurance Budget Act

(SG No. 99/2012, effective 1.01.2013)

§ 1. (1) Upon proposal of the Governor of the National Social Security Institute (NSSI), the Supervisory Board shall approve the necessary adjustments in respect of individual items of expenses without exceeding the total amount of expenses, as approved by virtue of this Act. This shall not apply to amounts at the expense of the executive budget and expenses incurred by the NSSI on the grounds of other statutory instruments and projects outside the scope of the Social Insurance Code, which are funded by transfers not covered herein and which do not result in aggravating the balance of public social insurance. The aforementioned expenses shall be accounted for and reported within the budget of the NSSI, which may be exceeded by their respective amounts.

(2) Upon proposal of the Governor of the NSSI, the Supervisory Board of the NSSI may approve compensated adjustments between the items in the NSSI budget, except for adjustments resulting in increases in the personnel costs.

§ 2. (1) The contributions due for the Teachers' Pension Fund shall be paid through the bank accounts of the National Revenue Agency intended for collection of insurance contributions for public social insurance.

(2) The contributions to the Teachers' Pension Fund referred to in Paragraph 1 shall be transferred periodically into the corresponding accounts with the Bulgarian National Bank.

§ 3. (1) Pensions, except for pensions not related to employment, shall be updated as from 1 April 2013 as follows:

1. pensions granted with a starting date until 31 December 2009 - by 9.8 percent;

2. pensions granted with a starting date between 1 January and 31 December 2010 - by 8.8 percent;

3. pensions granted with a starting date between 1 January and 31 December 2011 - by 5.7 percent;

4. pensions granted with a starting date between 1 January and 31 December 2012 - by 2.2 percent;

(2) Pensions for the year 2013 shall not be updated as per the procedure laid down in Article 100 of the Social Insurance Code.

§ 4. No general reserve of the funds referred to in Article 18 of the Social Insurance Code shall be accrued for 2013.

§ 5. The prophylactics and rehabilitation activities in year 2013 shall be carried out at:

1. companies whose capital is held exclusively by the National Social Security Institute;

2. specialised hospitals for rehabilitation which have obtained a licence for medical treatment activities from the Minister of Health for rehabilitation activities, as well as medical treatment institutions for hospital care specified in Article 5, Paragraph 1 of the Medical Treatment Institutions Act which perform rehabilitation activities.

.....

FINAL PROVISIONS

to the Act to Amend and Supplement the Insurance Code

(SG No. 20/2013)

.....

§ 4. Within one month of entry into force of this Act the retirement insurance companies, which offer payment of lifelong pensions from a voluntary retirement insurance fund based on biometric tables, which are different for both genders, shall submit for approval the biometric tables, which are to be used for calculation of the amounts of pensions under the pension contracts, executed after 20-the December 2012.

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TRANSITIONAL AND FINAL PROVISIONS

to the 2014 Public Social Insurance Budget Act

(SG No. 106/2013, effective 1.01.2014)

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§ 7. Pensions and benefits to teachers, paid from the Teachers' Pension Fund and granted with a starting date prior to 312 December 2013, shall be restated as from 1 January 2014 in accordance with the procedure of § 5, Paragraphs 2 and 3 of the transitional and final provisions of the Social Insurance Code.

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FINAL PROVISIONS

to the Act to Amend and Supplement the Tax Procedure Code

(SG No. 109/2013, effective 1.01.2014)

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§ 19. In the Social Insurance Code (promulgated, SG No. 110/1999, Decision No. 5 of the Constitutional Court of 2000 - SG No. 55/2000, amended, SG No. 64/2000, SG No. 1, 35 and 41/ 2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17, 30, 34, 56, 57, 59 and 68/2006, amended, SG No. 76/2006, amended, SG No. 80, 82, 95, 102, 105/2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010, Decision No. 7 of the Constitutional Court of 2011 - SG No. 45/2011, amended, SG No. 60, 77 and 100/2011, SG No. 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99/2012, SG No. 15, 20, 70, 98, 104 and 106/2013) is amended as follows:

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§ 24. This Act shall enter into force on January 1, 2014, except § 23, which shall enter into force after the judgment of the European Commission to extend the duration of existing authorized aid scheme.

TRANSITIONAL AND FINAL PROVISIONS

to the amendment of the Law on the activities of collective

investment schemes and other collective investment undertakings

(SG No. 109/2013, effective 20.12.2013)

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§ 84. In the Social Insurance Code (promulgated, SG No. 110/1999, Decision No. 5 of the Constitutional Court of 2000 - SG No. 55/2000, amended, SG No. 64/2000, SG No. 1, 35 and 41/2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17, 30, 34, 56, 57, 59 and 68/2006, amended, SG No. 76/2006, amended, SG No. 80, 82, 95, 102, 105, 2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010, Decision No. 7 of the Constitutional Court of 2011 - SG No. 45/2011, amended, SG No. 60, 77 and 100/2011, SG No. 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99/2012, SG No. 15, 20, 70, 98, 104 and 106/2013) in Article 122g paragraph 2 is repealed.

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§ 95. This Act shall enter into force on the day of its publication in the "State Gazette" with the exception of § 88, 89 and 90, which shall enter into force on January 1, 2014.

TRANSITIONAL AND FINAL PROVISIONS

to the the Act to Amend and Supplement the Social Insurance Code

(SG No. 1/2014, effective 1.01.2014)

§ 9. Insured for sickness and maternity person who has adopted a child from 2 - to 5 years of age before January 1, 2014, 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.

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FINAL PROVISIONS

the Act on the amendment of the Labour Code

(SG No. 27/2014)

§ 13. At the Social Security Code (promulgated, SG No. 110/1999; Decision No. 5 of the Constitutional Court of 2000 - SG No. 55/2000, amended, SG No. 64/2000, SG No. 1, 35 and 41/2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17 30, 34, 56, 57, 59 and 68/2006, amended, SG No. 76/2006, amended, SG No. 80, 82, 95, 102, 105/2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010, Decision No. 7 of the Constitutional Court of 2011 - SG No. 45/2011, amended, SG No. 60, 77 and 100/2011, SG No. 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99/2012, SG No. 15, 20, 70, 98, 104, 106, 109 and 111/2013 and SG No. 1 and 18/2014) in § 5 of the Transitional and final Provisions are amended as follows:

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§ 14. Paragraph 13 shall enter into force on January 1, 2014.

TRANSITIONAL AND FINAL PROVISIONS

to the 2015 PUBLIC SOCIAL INSURANCE BUDGET ACT

(SG No. 107/2014, effective 1.01.2015)

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§ 10. The Act shall enter into force on 1 January 2015, with the exception of § 3, item 5, letter "b", Items 18 and 31, which shall enter into force on 1 January 2016.

FINAL PROVISIONS

to the Act on Amendment and Supplementing the Collective Investment Schemes
and Other Undertakings for Collective Investments Act

(SG No. 22/2015, effective 24.03.2015)

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§ 6. In the Social Security Code (promulgated, SG No. 110/1999; Decision No. 5 of the Constitutional Court of 2000 - SG No. 55/2000, amended, SG No. 64/2000, SG No. 1, 35 and 41/2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17 30, 34, 56, 57, 59 and 68/2006, amended, SG No. 76/2006, amended, SG No. 80, 82, 95, 102, 105/2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010, Decision No. 7 of the Constitutional Court of 2011 - SG No. 45/2011, amended, SG No. 60, 77 and 100/2011, SG No. 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99/2012, SG No. 15, 20, 70, 98, 104, 106, 109 and 111/2013 and SG No. 1, 18, 27, 35, 53 и 107/2014 and SG No. 12 and 14/2015) is amended as follows:

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§ 7. (1) Within one month of the entry into effect of this Act the Deputy Chairperson of the Financial Supervision Commission, responsible for the Social Insurance Supervision Directorate, shall determine by order the minimum content of the investment

policy under Article 175a of the Social Insurance Code.

(2) Within one month of the entry into effect of the decision under para.1 the pension insurance companies shall submit to the Financial Supervision Commission the rules for the procedures for risk monitoring, measurement and management and the investment policies of the supplementary pension insurance funds, managed by them.

§ 8. This Act shall come into effect from the date of its promulgation in the State Gazette.

FINAL PROVISIONS

to the Act on Amendment and Supplementing the Commercial Register Act

(SG No. 22/2015, effective 1.01.2017)

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§ 13. Article 5(10) of the Social Insurance Code (promulgated, SG No. 110/1999; Judgment No. 5/2000 of the Constitutional Court, SG No. 55/2000; amended, SG No. 64/2000; SG No. 1, 35 and 41/2001, SG No. 1, 10, 45, 74, 112, 119 and 120/2002, SG No. 8, 42, 67, 95, 112 and 114/2003, SG No. 12, 21, 38, 52, 53, 69, 70, 112 and 115/2004, SG No. 38, 39, 76, 102, 103, 104 and 105/2005, SG No. 17, 30, 34, 56, 57, 59 and 68/2006; corrected, SG No. 76/2006; amended, SG No. 80, 82, 95, 102 and 105/2006, SG No. 41, 52, 53, 64, 77, 97, 100, 109 and 113/2007, SG No. 33, 43, 67, 69, 89, 102 and 109/2008, SG No. 23, 25, 35, 41, 42, 93, 95, 99 and 103/2009, SG No. 16, 19, 43, 49, 58, 59, 88, 97, 98 and 100/2010; Judgment No. 7/2011 of the Constitutional Court, SG No. 45/2011; amended, SG No. 60, 77 and 100/2011, SG No. 7, 21, 38, 40, 44, 58, 81, 89, 94 and 99/2012, SG No. 15, 20, 70, 98, 104, 106, 109 and 111/2013, SG No. 1, 18, 27, 35, 53 and 107/2014 and 12 and 14/2015) shall be amended and supplemented as follows:

.....

§ 16. This Act shall take effect as of 1 January 2017, except for § 3, Items 1, 3 – 6 of § 6, § 8, 14 and 15, which shall take effect as of the day of promulgation hereof in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the Act to Amend and Supplement the Social Insurance Code

(SG No. 61/2015, effective 1.01.2016, amended and supplemented,

SG No. 99/2017, effective 1.01.2018)

§ 47. (Effective 15.08.2015 - SG No. 61/2015) (1) The contributory-service and retirement-age pensions of persons under Items 1 to 4 and Item 6 of Article 4(1) and under Article 4a whose insurance was terminated after they acquired entitlement to a pension but not later than 31 December 2014 shall be granted as of the date of termination of the insurance, provided that the application and the required documents were submitted within 6 months of such date. If the application was submitted after the expiry of 6 months after the termination of the insurance, the pensions shall be granted as of the date of submission of the application.

(2) Persons who have been granted contributory-service and retirement-age pensions subject to the conditions of Article 94(1) based on applications submitted after 31 December 2014 may, within 6 months of this Act's promulgation, request that their pensions be granted under the terms provided for by Paragraph (1).

(3) Teachers' pensions granted under § 5(2) of the Transitional and Final Provisions with a starting date until 31 December 2015 shall be paid at a reduced rate until the persons concerned attain the age of attaining entitlement to a pension under Article 68(1).

§ 48. (Effective 15.08.2015 - SG No. 61/2015) Insured persons born after 31 December 1959 whose initial insurance obligation arose after 31 December 2014 and prior to this Act's entry into force and who have not exercised their option as provided for by Article 137(3) shall be allocated on a non-discretionary basis to the registered universal funds in a manner and according to a procedure established by the National Revenue Agency and the Commission under Article 120b (2).

§ 49. (Effective 15.08.2015 - SG No. 61/2015) The persons under Article 69 who have the contributory service required to acquire entitlement to a pension may retire without discharge from service, dismissal or termination of the legal relationship.

§ 50. (Effective 15.08.2015 - SG No. 61/2015) The persons under Article 69 who have attained the contributory service required to acquire entitlement to a pension by 31 December 2015 may retire regardless of their age by 31 December 2018.

§ 51. (Effective 15.08.2015 - SG No. 61/2015) (1) Persons who have been granted a pension out of the public social insurance system with a starting date until 31 December 2015 and with a reduced individual coefficient under the repealed Paragraph (3) of Article 127 may request recalculation of such pension, provided that they opt, by 31 December 2016, to transfer the funds of their individual accounts with a universal pension fund to the Pensions Fund of the public social insurance system. The funds accrued on the individual account of an insured person shall be remitted by the universal pension fund concerned to the Pensions Fund or the Article 69 Persons' Pension Fund, as the case may be, of the public social insurance system within 3 months of the date when he/she exercised such option. In such case the pension shall be recalculated as of the first day of the month following the one in which the option was exercised. The supplementary compulsory retirement insurance contributions after the recalculation of the pension shall be transferred to the Pensions Fund.

(2) Persons who, as at 1 January 2016, have less than 5 years until attaining the age under Article 68(1) may, by 31 December 2016, once exercise the right under Article 4b to opt to shift from insurance in a universal pension fund to the Pensions Fund, or the Article 69 Persons' Pension Fund, as the case may be, of the public social insurance system.

§ 52. Persons who have been granted a pension by an order which took effect by 31 December 2015 may, by 31 December 2016, request recalculation of their pension based on their contributory income during a different three-year period prior to 1 January 1997.

§ 53. (1) From 2017 until the year in which the percentage under Article 70(1) reaches 1.5, pensions shall not be updated under Article 100.

(2) (Amended, SG No. 99/2017, effective 1.01.2018) Pensions granted with a starting date until 31 December of the year in which the percentage under Article 70 (1), first sentence reaches 1.5 shall be recalculated annually, as of 1 July each calendar year following the year in which the pension is granted, based on the relevant percentage as provided for in the fourth sentence of Article 70 (1). Employment injury and occupational disease pensions shall be recalculated annually, as of 1 July each calendar year, and the coefficient under Items 1 to 3 of Article 79 (1) shall be increased by the percentage provided for in the third sentence of Article 70 (1). The recalculated amount shall be determined without changing the income based on which the pension was calculated, and after that shall be updated, restated and indexed in accordance with the legal framework effective after the date of granting the pension.

(3) (New, SG No. 99/2017, effective 1.01.2018) Where the amount of the pension recalculated under Paragraph (2) herein is lower than its amount before the recalculation, increased by the percentage set out in the third sentence of Article 70 (1) herein, the pension shall be determined at the higher amount.

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§ 59. Within 6 months of this Act's entry into force, the heads of the departments to whose employees Article 69 applies, shall submit to the Council of Ministers substantiated proposals for amendments to the regulations differentiating the positions under the relevant Acts in accordance with the nature of work and the specific working conditions, with a view to enabling persons in such positions to enjoy early retirement rights.

§ 60. This Code shall enter into force on the 1st day of January 2016, with the exception of:

1. § 3 concerning Item 6 of Article 4a (3), § 4, § 7 concerning Item 10 of Article 6(3), Item 2 of § 8 concerning the amendment to Article 9(6), § 16, Items 5 to 9 of § 25, § 31 – 36, § 47 – 51, § 54, § 55, Item 2 of § 56 concerning the amendment to Item 9 of Article 40(3), which shall take effect three days after this Act's promulgation in the State Gazette;
2. § 45, which shall take effect 12 months after this Act's promulgation in the State Gazette;
3. § 57, which shall take effect as of 1 April 2015;
4. § 58, which shall take effect as of 17 July 2015.

TRANSITIONAL AND FINAL PROVISIONS

to the State Intelligence Agency Act

(SG No. 79/2015, effective 1.11.2015)

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§ 18. (1) Up until December 31, 2015, civil servants of the State Intelligence Agency shall be considered eligible for retirement regardless of their age, provided they have 27 years total of pensionable service, of which two-thirds actually served in accordance hereunder, or in military service, or in accordance with the laws as per Article 69, pars. 1, 2 and 3 of the Social Security Code.

(2) Up until December 31, 2015, commissioned and non-commissioned officers of the National Protection Service shall be considered eligible for retirement regardless of their age, provided they have 27 years total of pensionable service, of which two-thirds actually served in accordance with the National Protection Service Act, or in military service, or in accordance with the laws as per Article 69, pars. 1, 2 and 3 of the Social Security Code.

(3) Persons referred to in pars. 1 and 2, who towards December 31, 2015, have completed the required pensionable service for retirement eligibility, may retire until December 31, 2018, regardless of their actual age.

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§ 31. This Act shall come into effect on November 1, 2015, with the exception of § 17 (4) concerning Article 69, which shall enter into force as of January 1, 2016.

TRANSITIONAL AND FINAL PROVISIONS

to the 2016 Public Social Insurance Budget Act

(SG No. 98/2015, effective 1.01.2016)

§ 1. (1) Upon proposal of the Governor of the National Social Security Institute (NSSI), the Supervisory Board shall approve the necessary adjustments in respect of individual expenditure items without exceeding the total amount of expenditure, approved by virtue of this Act. This shall not apply to amounts at the expense of the executive budget and expenditure incurred by the NSSI on the grounds of other statutory instruments and projects outside the scope of the Social Insurance Code, which are funded by transfers not covered herein and which do not result in aggravating the balance of the public social insurance. The aforementioned expenses shall be accounted for and reported within the budget of the NSSI, which may be exceeded by their respective amounts.

(2) Pecuniary aids for prevention of diseases and rehabilitation transferred to budgetary organisations from the public social insurance budget shall be accounted for as transfers.

§ 2. No general reserve of the funds referred to in Article 18 of the Social Insurance Code shall be accrued for 2016.

§ 3. The following amendments and supplements are made to the Social Insurance Code (promulgated, SG No. 110 of 1999, Ruling No. 5 of the Constitutional Court of 2000 - No. 55 of 2000; amended, 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, and No. 76 of 2006; amended, 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; Ruling No. 7 of the Constitutional Court as of year 2011 - No. 45 of 2011; amended, 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, and No. 12, 14, 22, 54, 61 and 79 of 2015):

§ 7. The Act shall enter into force on 1 January 2016, except for § 3, Items 15, 16 and 20, which shall enter into force on 15 August 2015.

TRANSITIONAL AND FINAL PROVISIONS

of the 2017 Public Social Insurance Budget Act

(SG No. 98/2016, effective 1.01.2016)

§ 1. (1) Upon proposal of the Governor of the National Social Security Institute (NSSI), the Supervisory Board shall approve the necessary adjustments in respect of individual expenditure items without exceeding the total amount of expenditure, approved by virtue of this Act. This shall not apply to amounts at the expense of the executive budget and expenditure incurred by the NSSI on the grounds of other statutory instruments and projects outside the scope of the Social Insurance Code, which are funded by transfers not covered herein and which do not result in aggravating the balance of the public social insurance. The aforementioned expenses are accounted for and reported within the budget of the NSSI, which may be exceeded by their respective amounts.

(2) Pecuniary aids for prevention of diseases and rehabilitation transferred to budgetary organisations from the public social insurance budget shall be accounted for as transfers.

§ 2. No general reserve of the funds referred to in Article 18(1) of the Social Insurance Code shall be accrued for 2017.

§ 4. The period under Article 54c of the Social Insurance Code for payment of unemployment benefits to persons, the social security of which has been terminated before 1 January 2017, shall be determined according to the hitherto effective procedure.

§ 5. (Effective 9.08.2016 – SG No. 98/2016) Investigators and Junior Investigators, who, by 8 August 2016 and including that date, have acquired an entitlement to pension under the terms and conditions of Article 69, Paragraph 2 of the Social Insurance Code in its version as of 1 January 2016, can exercise such entitlement under those terms and conditions.

§ 6. Pensions of individuals, who have acquired entitlement to pension by 31 December 2016 and including that date, shall be granted from the date on which the entitlement was acquired, provided that the application accompanied by the documents required has been filed within 6 months of that date. Where the application has been filed after the expiry of six months of the acquisition of the entitlement to pension, the pension shall be granted from the date on which the application was filed.

§ 7. Appeals under Article 117, Paragraph 1, Item 2, letter "a" and Paragraph 4 of the Social Insurance Code against decisions for pensions delivered by 31 December 2016, including that date, can be filed within two, respectively three months of their delivery.

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§ 12. The Act shall enter into force on 1 January 2017, except for:

1. Paragraph 5, which enters into force as of 9 August 2016;
2. Paragraph 3, Items 13 – 15, and § 8, which shall enter into force as of 1 June 2017;
3. Paragraph 3, Item 2 which shall enter into force as of 1 January 2018.

TRANSITIONAL AND FINAL PROVISIONS
of the Act to Amend and Supplement the Social Insurance Code
(SG No. 92/2017)

§ 154. (Effective 1.01.2018 - SG No. 92/2017) (1) Persons who, by and including 31 December 2018, have less than 5 years until attaining the age under Article 68 (1) herein and who have not been granted a contributory-service and retirement-age pension, may, by 31 December 2018, once exercise the right under Article 4b to opt to shift from insurance in a universal pension fund to the Pensions Fund, or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system in accordance with the procedure established by the ordinance referred to in Article 179 (3) of the Tax and Social Insurance Procedure Code.

(2) Persons who have been granted a contributory-service and retirement-age pension with a starting date between 15 August 2015 and 31 December 2017 and including that date with a reduced individual coefficient under the Article 70 (7), shall have the right by 31 December 2018 to request that the pension granted be recalculated without reducing the individual coefficient, provided that they transfer the funds in their individual accounts with a universal pension fund to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system. The transfer of funds shall be requested in person or through a person authorised with a notarised power of attorney. The application shall be filed to the respective retirement insurance company managing the fund in which the person is insured through the territorial division of the National Social Security Institute paying the pension, together with the request for recalculation of the pension. The standard application forms shall be approved by the Governor of the National Social Security Institute.

(3) The contributory-service and retirement-age pension shall be recalculated from the first day of the month following the month of filing of the application referred to in Paragraph (2).

(4) The National Social Security Institute shall send the filed applications for transfer of funds referred to in Paragraph (2) to the relevant retirement insurance companies by the first working day of the month following the month of filing of such applications. On the first working day of the month following the month of filing the applications, the retirement insurance company shall calculate the amount of the resources in the individual accounts of the respective persons using the value per unit valid for the previous working day, and shall close their individual accounts.

(5) The National Social Security Institute shall send to the National Revenue Agency information about the filed applications for transfer of funds referred to in Paragraph (2) on the day following the day of their filing.

(6) Within 7 days of the issuing of an order for recalculation of the pension without reduction of the individual coefficient, the territorial division of the National Social Security Institute shall send by electronic means, in a format approved by the Governor of the National Social Security Institute, information about this to the respective retirement insurance company, which within one month of receiving such information shall transfer the resources accumulated in the individual account of the insured person in the universal pension fund to the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system. In the event of a refusal to recalculate the pension, the company shall resume keeping the account from the date of its closure.

(7) Simultaneously with the transfer of the resources in accordance with Paragraph (6), the retirement insurance company shall send by electronic means to the National Social Security Institute information about the amount of resources transferred from each individual account in a format approved by the NSSI Governor. Within 7 days of the transfer the retirement insurance company shall send to the insured persons with letters with confirmation of receipt extracts from their individual accounts and shall notify them of the transfer of the resources.

(8) As from the first day of the month following the month of filing the application for recalculation of the pension, all contributions for supplementary compulsory retirement insurance in a universal pension fund shall be paid into the Pensions Fund or the Pensions Fund for persons under Article 69, as the case may be, of the public social insurance system. Within 7 days of the issuing of an order refusing the recalculation of the pension, the National Social Security Institute shall send by electronic means information about this to the National Revenue Agency. Within 10 days of receiving the information regarding the refusal, the National Revenue Agency shall transfer all contributions payable with respect to the person for supplementary compulsory retirement insurance in a universal pension fund into an account of the respective universal pension fund, in which the person was insured prior to filing the application referred to in Paragraph (2).

(9) In cases of violations of Paragraphs (4), (6), (7) and the first sentence of Paragraph (8), the Deputy Chairperson of the Financial Supervision Commission in charge of the Social Insurance Supervision Department shall apply the measure referred to in Item 1 of Article 344 (1) herein, and/or shall impose, in accordance with the procedure established in Article 354, the relevant administrative penalty pursuant to Article 351 or Article 352 herein.

§ 155. (1) Within 18 months of the promulgation of this Act in the State Gazette, retirement insurance companies shall be obliged to bring their operations, excluding these specified in Paragraph (3), in line with this Act and the statutory instruments for the application of the Code, and submit to the Financial Supervision Commission documents proving the compliance.

(2) Within 18 months of the promulgation of this Act in the State Gazette, custodian banks shall be obliged to bring their operations in line with this Act and the statutory instruments for the application of the Code, and submit to the Bulgarian National Bank and the Financial Supervision Commission documents proving the compliance.

(3) By 31 December 2021 retirement insurance companies shall be obliged to bring in line with the requirements for investment activities, envisaged in this Act, the assets held by the supplementary retirement insurance funds managed thereby, which do not satisfy such requirements as of the date of entry of this Act into force.

§ 156. (1) Within 14 months of the promulgation of this Act in the State Gazette the members of management and supervisory bodies, the representatives of legal entities in supervisory bodies, and managerial agents of retirement insurance companies shall file applications under Article 121e (10), which shall be considered in accordance with the procedure established by Article 121e (11) and (12). Persons managing and representing retirement insurance companies shall also submit evidence, including statements, of compliance with the requirements specified in Article 121f(1) and (3).

(2) In the cases under Article 121e (13), as well as where no application has been filed within the time limit set in Paragraph (1), the Financial Supervision Commission shall apply the measure referred to in Item 3 of Article 344 (2) herein.

§ 157. A retirement insurance company managing a supplementary compulsory retirement insurance fund, which on the date of entry of this Act into force owns investment properties, shall implement the requirement for comparing the yield achieved by investment properties each quarter pursuant to Article 180c (1) and Article 180c (2) to the investment properties held by the fund after the expiry of 5 years of the entry of this Act into force.

§ 158. (Effective 18.11.2018 – SG No. 92/2017) Within one month of the entry of this Act into force retirement insurance companies, which obtained management authorisations for funds for supplementary voluntary retirement insurance under occupational schemes before the entry of the Act into force, shall file applications for the issuance of legal entity identifiers for themselves and for the funds for supplementary voluntary retirement insurance under occupational schemes managed thereby.

§ 159. (1) Any proceedings before the Deputy Chairperson of the Financial Supervision Commission in charge of the Social Insurance Supervision Department which were initiated prior to the entry of this Act into force shall be completed in accordance with the hitherto effective procedure.

(2) Any authorisations, approvals and registrations issued by the Deputy Chairperson of the Financial Supervision Commission in charge of the Social Insurance Supervision Department and in accordance with the procedure established by Paragraph (1) prior to the entry of this Act into force, shall remain valid and effective.

§ 160. (Effective 18.11.2018 – SG No. 92/2017) The Financial Supervision Commission shall adopt the ordinances relating to the application of the Social Insurance Code within 12 months of the date of promulgation of this Act in the State Gazette.

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§ 163. (1) Paragraphs 1, 32 and 154 herein shall enter into force on 1 January 2018.

(2) Paragraphs 43, 56, 91, 106, 115, and § 138 (2) shall enter into force on 1 April 2018.

(3) Paragraph 5, Items 2 and 4, § 6 – 14, § 19, § 20, Item 1, letters "a", "b", and "c", Item 2, letter "a" and Items 3, 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 – 111, § 114, § 117 – 123, § 125 and 126, § 128 and 129, § 141, Item 1, letter "a", Item 2, letter "d", Item 8, § 145 and 146, § 150, § 158 and § 160 shall enter into force 12 months after the promulgation of the Act in the State Gazette.

TRANSITIONAL AND FINAL PROVISIONS

to the 2018 Public Social Insurance Budget Act

(SG No. 99/2017, effective 1.01.2018)

§ 1. (1) Upon proposal of the Governor of the National Social Security Institute (NSSI), the Supervisory Board shall approve the necessary adjustments in respect of individual expenditure items without exceeding the total amount of expenditure, approved by virtue of this Act. This shall not apply to amounts at the expense of the executive budget and expenditure incurred by the NSSI on the grounds of other statutory instruments and projects outside the scope of the Social Insurance Code, which are funded by transfers not covered herein and which do not result in aggravating the balance of the public social insurance. The

aforementioned expenses are accounted for and reported within the budget of the NSSI, which may be exceeded by their respective amounts.

(2) Pecuniary aids for prevention of diseases and rehabilitation transferred to budgetary organisations from the public social insurance budget shall be accounted for as transfers.

§ 2. No general reserve of the funds referred to in Article 18 of the Social Insurance Code shall be accrued for 2018.

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§ 4. The entitlement to, the amount of and the period for payment of unemployment benefits to persons whose social security has been terminated before 1 January 2018 shall be determined according to the hitherto effective procedure.

§ 5. Where pensions granted with a starting date by 1 January 2019 are amended, recalculated or resumed, the individual coefficient shall be calculated or determined in accordance with the provisions in force until 1 January 2019.

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