

Bulgaria

Unemployment benefit: reforms, policies and security

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Introduction

Unemployment benefit is a monetary payment received by people who are entitled to social security after job loss and loss of earnings. It is an individual entitlement provided by the social security system in accordance with domestic legislation, and is distributed depending on certain conditions. Entitlement to unemployment benefit is usually determined by the social security agreement in an individual's employment contract.

Like any other kind of social security measure, unemployment benefit provides a certain degree of security that substitutes the basic income lost; however, unlike other benefits such as pensions, unemployment benefit is limited in duration and can be claimed only once during an individual's working life - after job loss, and if they are entitled to social security.

Social security during employment and unemployment is determined by domestic legislation, political debate and active policies; by the cycles and characteristics of economic, social and demographic developments and government responses to them. The social security of employees determines both temporary and long-term security of workers, their families and society as a whole, including the extent to which the national social security system is built on principles of solidarity and equality.

Key factors in determining unemployment benefit are the employment and unemployment rates; the amount and duration of unemployment benefit; the population's economic activity rate; and the extent of informal employment and the grey economy.

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Social security systems can generate substantial funds, especially those related to voluntary social security. In that sense, they are a tool for investments and various social and other policies. The funds can be used to prevent the risk of unemployment and to shorten the periods of unemployment, i.e. to reduce the amount and duration of benefit received. They can be used for lifelong training and learning, especially for people in older age groups, where the risk of unemployment grows and re-employment becomes more difficult.

Unemployment benefit has specific features that are different from the other forms of social security. It is directly linked to the labour market and is more or less determined by the labour market situation. These and many other aspects stimulate debate, a range of reforms, and use of past experience in determining the most appropriate policies and practices.

Unemployment benefit is often the basic income of those who receive it, and sometimes of their whole families. In that respect, it is or can be a mechanism for public social policy. On the other hand, the amount and duration of the benefit are important factors in terms of beneficiaries' attitudes and activity on the labour market; personal choice of job; receiving various social allowances related to unemployment; creating socially disadvantaged or unfavourable situations and encouraging social exclusion.

The reforms in Eastern Europe and unemployment benefit

In Eastern European countries including Bulgaria, unemployment benefit was not part of social practice and political debate, because officially for a period of 50 years unemployment did not exist, and in fact, until after 1990 working people did not have any unemployment insurance (unlike social security for old-age pension and employment records).

Since the late 1980s, Bulgaria and other Eastern European countries have embarked upon a process of radical political, economic and social change. The transition to a market economy and related reforms created different dynamics, approaches and social consequences. Generally, the early 1990s were a period of economic reform for the creation and development

of markets, including the labour market; for changing employment patterns and forming adequate policies for coping with the social problems resulting from privatisation; structural reforms and new processes for addressing unemployment and poverty levels. The political debate on these new concepts and related social security measures began in the early 1990s. On that basis, new laws and rules were adopted, taking into account research about the experience of EU Member States, the USA, and Latin American states and seeking World Bank assistance. Each country decided upon its own social security provisions, including unemployment benefit.

Unemployment benefit in contemporary Bulgaria is directly related to unemployment, its origins and rapid growth; to nascent processes of economic crisis, mass lay-offs and increasing insecurity. For a long time, unemployment benefit was considered as compensation; a social allowance after job loss; an important part of social policy in providing assistance to individuals in difficulty, in this case people who lost their jobs through no fault of their own. It could be said that for a long time no distinction was made between unemployment benefit and social allowances for the unemployed; for that reason, the role of social security was underestimated and expectations of the state's role and responsibilities regarding unemployment and its consequences increased. That was particularly typical of the first stage (1990s), when the foundations of the market economy and labour market were laid.

Generally, two major stages in the development of the social security system and unemployment benefit can be defined. The first encompasses the 1990s, when unemployment grew and reached high levels. There was no legislative framework establishing social security and unemployment benefit; the accumulated social security contributions in special funds were used for both employment policy and social assistance.

The second stage was marked by the adoption of special legislation regulating labour protection, social security and the promotion of employment, and later by the separation of social security and unemployment benefit from labour market policy, and social security from the responsibilities of the institutions working for their implementation.

Prior to the reform of the social security system in Bulgaria, which began in the mid 1990s with the separation of social security funding from the

State budget, the funding and payment of benefits was formalised through legislation¹.

Political and economic reforms in the 1990s: benefits as a social policy tool regulating the labour market and social assistance

The amount of unemployment benefit and social allowances form part of social policy regulating earnings (minimum wages, and minimum and maximum pensions among others).

In the first years of the transition, benefits were considered to be a State obligation, as compensation for its inability to maintain existing jobs and/or to provide new jobs. That predetermined the selected model of benefits in the beginning: a gradual decrease in the amount received². The entitlement period was equal for all, regardless of age, employment history, and social security contribution records. Unemployment benefit was earnings-linked, and therefore did not encourage job-seeking in the first months after job loss, particularly for those on higher salaries. Initially, benefits were even higher than net earnings. They were only received by people who were forced out of a job through no fault of their own, for example dismissal as a result of redundancy, liquidation or bankruptcy. Those who resigned, left by mutual consent or were dismissed for breach of contract were not entitled to unemployment benefit, although their employers were obliged to contribute to the newly created Vocational Training and Unemployment (VTU) fund on their behalf. Individuals who were not entitled to unemployment benefit, but were registered at the Labour Offices, were entitled to other social benefits (social allowances for young experts and young skilled workers, allowances for long-term unemployment, and for families with two or more children when both parents were unemployed). These regulations were developed during the debate with the newly created and legally recognised social partners, their institutions and organisations. The conditions and requests from each party (state representatives, employers and trade unions) were pre-determined by their objectives, interests and strategies. In fact, comparatively generous unemployment

1. Decrees of the Council of Ministers Nos. 56 of 1989, 110 of 1991 and others.
2. From 100, 90, 80, 70, 60 to 50% of earnings prior to job loss for the first 6 months, and in the following 3 months the country's average minimum wage (for unskilled work).

benefit and social allowances (for the country's capacity) were achieved by the leading trade unions, taking advantage of the under-representation of employers' interests, and the "guilt" and "fear" of the government (with regard to the deep economic crisis, mass dismissals and poverty).

Later, as a result of debate, it was agreed that unemployment benefit should be earnings-linked, but subject to minimum and maximum thresholds. The period of benefit entitlement was determined by the individual's age and employment history, to range from 4 to 12 months, according to the length of their social security contribution record, and recognising that older workers have more difficulties in finding work, and therefore need a longer entitlement period.

The amount of unemployment benefit was in direct relation to the minimum wage; the specific amounts, however, have been changed many times (from 80% to 150%). The minimum amount is not determined by the loss of earnings (otherwise it would be too low) but by the income level (per person in the household), under which they are entitled to a social allowance, i.e. when they live below the official poverty threshold. Thus, the definition of unemployment benefit as different from a social allowance (a rather popular notion by then) was enshrined. Unemployment benefit is a compensation linked to job loss and social security contributions record. This approach was needed in order to create interest and incentives, and to establish the necessity of permanent labour contracts and mandatory social security for all social risks, including unemployment (at that stage, working without a permanent labour contract and social security, for unemployment in particular, was typical). Thus, the concept of benefits linked to previous earnings, and to some degree with living standards achieved, was maintained, while decreasing the difference in entitlement, to recognise that all unemployed persons do not work, i.e. they are in similar situations in that they do not produce goods and value.

The Vocational Training and Unemployment (VTU) fund established immediately before the registered unemployment scheme (mid 1990s) gradually increased its resources (with contributions at 0.5% to 7% of gross pay), was funded solely by employers, while the contribution amount was determined by tripartite debates among the social partners at a national level. In the first years, a rather high amount was estimated in order to provide resources for the expected "leap" of unemployment in the latter half of the 1990s due to reforms launched for the liquidation

and restraint of inefficient industries, and mass privatisation. That policy ensured an opportunity to manage the high unemployment rate (19% according to official data for registered unemployment) in the late 1990s, without changing the model for the amount of benefit and duration of entitlement. The selected model for accumulation of resources under a specialised fund (VTU) allowed not only the financing of unemployment benefit and social allowances, but also the establishment of labour market institutions and labour market policy. In the first years, resources were mostly used for “passive” labour market policies, mainly covering unemployment benefit and allowances, informing and managing the administrative processing of job-seekers and job-providers at the newly established public institutions (the National Employment Agency and its regional and local labour offices). The share of expenditure for that policy in Bulgaria varied from 93.7% (1991) to 78.6% (2000)³. National policy for regulating labour markets was gradually restructured in the late 1990s with a growing share of funds directed to “active” policies, aimed at promoting a return to employment and encouraging employers to create jobs or hire particular groups among the unemployed.

The accumulation of resources in the VTU Fund allowed for provision of zero-interest loans for the pensions of the ageing and early-retired population⁴. That and the use of resources for different employment measures and programmes and various social allowances raised the question of how effectively and purposefully funds were being used.

A major source of funding for the unemployment contingency policy was the accumulation of employers’ contributions to the Vocational Training and Unemployment fund. Additional sources included the national budget, foreign donors and various international organisations. They were used to finance policies for the creation and functioning of the labour market and mostly for establishing institutions and capacity to register labour supply and demand; to inform and advise young people and older workers on all issues related to career choice and change, and job seeking. They also financed the payment of unemployment benefit and allowances for the long-term unemployed and those ineligible for benefits; assistance in job search and providing recruitment incentives

3. According to National Employment Agency data.

4. At the age of 55 for women with minimum employment records of 20 years, and 60 for men with minimum employment records of 25 years.

through subsidies for employers and workers. Additionally the funds were used for promoting vocational training through activities for further education, improving qualifications, retraining and other initiatives aimed mostly at specific occupational labour markets; and to attempt to overcome the mismatch between supply and demand for highly-skilled labour; to stimulate and promote job creation and security.

For years, national employment policy was mainly linked to the policy for reducing unemployment, assisting the long-term unemployed, people living below the poverty line and those permanently excluded from the labour market. The stability of the specialised fund (VTU) created opportunities for regular benefit payments and the financing of “active” labour market policies, as well as encouraging the unemployed to re-enter the workplace.

During that phase, unemployment benefit accounted for the majority of expenditure since the proportion of laid-off workers was large; the number of the permanently unemployed grew, as did the cost of social allowances for the unemployed. Only redundant workers were entitled to receive unemployment benefit.

For many years, unemployment benefit amounted to 60% of gross earnings prior to redundancy (not below 80% and not over 150% of the national minimum wage), as determined by the Law for Protection against Unemployment and Promotion of Employment (valid until 2001), while the period of entitlement (from 4 to 12 months) was determined according to employment history and age.

Passive policy generosity was also determined by the numerous social allowances for people who were unemployed, received by many individuals without social security: young people with vocational training who after graduating from college were registered as unemployed with the PES (public employment services), i.e. without any social security records, including unemployment insurance; those who were permanently unemployed; the unemployed with small children and others. In fact, social security entitlement was combined with the entitlement to social allowances, social assistance employment policies financed mainly from the State and local public budgets.

With the adoption of a special law in 1998, social allowances from social security contributions were abruptly limited and reduced. The aim was

to encourage the unemployed to re-enter the job market, and actively participate in training and job seeking.

Increasingly, employers objected to the large amount of contributions and the direct opportunities for them to use those resources⁵. That debate has resulted in reducing the amount of security contributions and increasing the range of contributors.

With the development of reforms to build a functioning market economy and particularly the preparation for EU membership, the national policy emphasis changed. One of the most evident transformations was the restructuring of labour market policy with more focus on active policies and programmes, financed by the State budget, the EU pre-accession funds and currently the Social and Cohesion Funds.

The social security reform: unemployment benefit in the system of individual social security rights

For Bulgaria, a major stage in creating and securing a market economy was the reform of the social security system, which is directly linked to unemployment benefit. The second stage of the reform of unemployment benefit was linked to developing a separate fund for unemployment insurance, different from the general fund for the regulation of labour market policy implementation (VTU fund), its inclusion as a comparatively independent fund in the national social security system; and with the utilisation of its resources mostly for the compensation of socially insured individuals after job loss. Employment, social assistance and social security policies have also changed. The institutions managing the collection and distribution of funds in the “Unemployment Fund” (the National Social Security Institute and its regional offices) have been reformed, and new cooperation has arisen between the National Employment Agency, the National Social Security Institute and the Agency for Social Assistance.

The overall reform of the social security system began in the mid 1990s with the adoption of an Act separating social security from the public

5. Mostly the subsidy programmes for training and retraining of people at risk of unemployment, technological and industry restructuring, etc., job creation and hiring of the unemployed, etc.

budget. On that basis, by the end of the 1990s many new laws and acts were adopted, which laid the foundations for the current public social security system with its three “pillars” (public insurance, healthcare insurance and unemployment insurance) in the three possible forms - mandatory, mandatory supplementary, and voluntary.

By the end of 1997, Bulgaria had adopted the Law for Protection against Unemployment and Promotion of Employment and legally enshrined the policies, institutions, rights and obligations, including social security and benefit payments, which had been established by previous legal acts (1989-1997). In the following years, several amendments were made to that Act, two of them major. One (dating from early 2002) reflected the decision to separate unemployment insurance risk and payment of unemployment benefit from the policy regulating the labour market. Unemployment insurance and benefits paid were assigned to the newly established National Social Security Institute, i.e. to social security⁶. With the adoption of the Law for Protection against Unemployment and Promotion of Employment (LPUPE), the basic principle of social partnership in the regulation of labour and social affairs was endorsed, including in the benefit policies. On that foundation, the tripartite structures and institutions such as the National Council for Tripartite Cooperation, and the National Council on Employment (at the Ministry of Labour and Social Policy) were created; along with the Supervisory Council at the Employment Agency; the Supervisory Council at the National Social Security Institute, and Regional Councils on Employment at district or municipal level, etc.

Later, specific laws and acts related to the labour market and regulation policies, social security, social assistance and others were adopted.

With the second amendment (March 2003) to the LPUPE the new employment policy aimed at developing active as opposed to passive policies was included; for example policies and approaches responding to the Employment Strategy and the National Action Plans on Employment, following the major guidelines of the European Employment Strategy and the Lisbon Strategy (March 2000) for achieving higher employment rates, developing public employment services and implementing integrated employment policies.

6. Accordingly, legislation was transformed with the Employment Promotion Act (EPA).

As a result of the policy adopted on social security and later of the specialised law⁷, unemployment insurance can be mandatory and voluntary. Mandatory social security introduced the principle of paying social security contributions. In the distribution of social security contributions between employer and employee, a transition period was introduced, during which contributions gradually changed until the employer – employee ratio was equal (50%:50%). At present, there are some exceptions to that rule, e.g. for civil servants, whose contributions are completely covered by the State.

The Social Security Code with its latest amendments⁸ lays down the ground rules on social security for general illness; accidents at work; occupational illness; maternity; unemployment; old age and death; supplementary voluntary social security for unemployment and/or vocational qualifications. In accordance with that act, social security provides benefits, allowances and pensions for temporary disability, temporarily decreased employability; disability; maternity; unemployment; old age and death.

According to the Mandatory and Voluntary Public Social Security Code, unemployment benefit represents 60% of the average monthly income received for the past nine months, during which the workers were subjected to mandatory social security for all insurance risks and cannot be under the minimum and over the maximum amount of unemployment benefit. The minimum and maximum amount of unemployment benefit has been determined in the past years by the budget of the public social security Act. The recent practice where employers insure employees at minimum wage rates or a little over, leads to unemployment benefit at the minimum rate.

If, while receiving benefits, a person starts paid work – a reason for mandatory social security – that is terminated after less than 9 months, benefits shall be resumed for the remaining period by the date of termination. People who are registered as unemployed with their respective local unit of the Employment Agency and meet the following conditions are also entitled to benefits for long-term unemployment⁹:

7. The Social Security Code.

8. In force since 2.06.2009, amendments issue 42 of 5.06.2009, compendium of Laws – APIS.

9. “Long-term unemployed” are people with uninterrupted registration in Employment Agency local offices for at least 12 months, EPA, Additional Provisions, § 1, p.2.

after receiving unemployment benefit they remain unemployed, and have maintained their registration regularly in the respective local unit of the Employment Agency for at least 12 months preceding the month of submission of the application; are 60 years and 6 months of age for men and 57 years and 6 months of age for women; the sum of their age and insurance record is up to 60 months less than required; have not been granted a pension; do not undertake paid work for which they are subject to mandatory social security contributions. Benefits for long-term unemployment are the minimum amount, determined in the Law for the Budget of the State Public Insurance for the year concerned. Benefits for long-term unemployment are granted on the basis of an application to the local unit of the National Insurance Institute and are paid monthly from the date of submission of the application for a period not exceeding 30 months.

When unemployment benefit was separately defined in the social security funds system, a major distinction between entitlements based on social security records and reasons for payment of unemployment-related social allowances was made. The latter was covered in the Social Assistance Act. The Act provides for assistance to find employment for the unemployed who meet the requirements for monthly social allowances¹⁰. The entitlement to monthly social allowances is linked to community service work, except in the event of maternity or when the age and/or health status of the individual preclude this. The decision was made that the unemployed who meet the requirements for monthly social allowances should join employment programmes, jointly established by municipal administrations, state, municipal and private enterprises and other legal entities, Employment Agency local offices and the Social Assistance Agency¹¹. Those who refuse to join the employment programmes become ineligible to claim monthly allowances for a period of one year. Thus, the activation-oriented unemployment policy and increase in employment through the temporary decrease of unemployment contribute to the social security records of those in long-term unemployment, and reduce insecurity arising from major social risks (poverty and social exclusion). Debates in that field are related, on the one hand, to a certain imposed choice of “activation” and forced inclusion in programmes; and also to

10. Social Assistance Act, promulgated in the State Gazette, issue 56 of 19.05.1998, amended issue 14 of 20.02.2009, amended issue 41 of 2.06.2009, in force since 1.07.2009, Article.1 (2), p.4.

11. Article. 12b. (New – SG, issue 120 of 2002. (1)

the fact that their inclusion in such programmes¹², financed by the public budget, does not facilitate real inclusion in stable employment and continues the vicious circle. Jobs created under those programmes are low-status, low-paid and short-term. In recent years, stricter restrictions have been introduced in the provision of social allowances for people who are unemployed with the aim of encouraging them to return to employment and thus, to the social security system.

The attempts to assess benefit policy use various criteria. Generally, they can be divided between economic and social. The first group covers economic criteria relating to the financial resources utilised for “unemployment services”, including the amounts, scope and period of entitlement to unemployment benefit and social allowances. To that group, the criterion of “collectability” of security contributions and their use is irrelevant. It remains debatable whether the assessment of that policy should encompass events related to the development and maintenance of institutions on the labour market and some of their activities for unemployment services (for example determining and paying benefits and allowances; registering unemployed people and job vacancies, providing information, etc.). Depending on their relation to that policy, their efficiency is evaluated. According to “optimum” criteria, the amount of unemployment benefit and allowances paid in Bulgaria can be considered sufficiently low and generally meets the requirement to promote a return to work.

Another evaluation criterion is the efficiency of money spent on unemployment allowances. It can be achieved by limiting the number of unlawful entitlements and distribution of benefits. With the legislative amendments made and the transfer of unemployment benefit to the newly established Unemployment Fund, social security contributions are collected and distributed based on classic social security principles. In that way, better monitoring and control over the collecting and spending of resources is implemented.

12. From Social Benefits to Employment.

In conclusion: the new situation and debate on social security in the context of growing labour flexibility

The main debate in Bulgaria relates to stakeholders in the field of social security. Employers' associations and certain employers insist on reducing the overall social security contribution (including for unemployment insurance) and implicating the public authorities and public budget when paying social security contributions. Their motives are mainly concerned with reducing their tax burden, especially the burden of social security contributions. There are objections for and against from national trade unions and public authorities, the social security institutions and researchers, in particular. The debate considers factors such as the ageing population (the worker – pensioner ratio in recent years is 3.2 : 2.3); the comparatively high proportion of inactive and socially insecure individuals (the proportion of informal employment varies between 16% and 30%); low insurance income levels (actual wages); and now in a time of crisis – the growing number of unemployed and the restrictive employers' policies adopted by the government to curb earnings, full-time employment, etc. The expected change in the country's governance and policy in favour of business, in order to reduce the negative effects of the economic crisis, may limit the capacity of the Unemployment Fund and create difficulties for the distribution of unemployment benefit.

According to domestic legislation, the amount of social security contributions and their distribution between employers and employees is determined at the end of each year with the budget acts of the Social Security Funds, including the Unemployment Fund adopted by the National Assembly (Bulgarian Parliament).

In the period 2001-2008, the official unemployment rate in Bulgaria dropped, reaching its lowest level in 2008 (a little under 6%). The economic and financial crisis in Bulgaria started slightly later than in most Western European countries. In mid 2008, the Bulgarian economy registered late but comparatively high growth; there were many job vacancies, mainly for skilled jobs. The government, in the last year of its mandate, demonstrated optimism and confidence that the crisis would not affect Bulgaria and if it did hit the country, the impact would not be catastrophic, since the country had every necessary resource to cope. That notion dominated the budgets for 2009 and determined the level of social security contributions. The mass redundancies that began in 2009 have

increased the number of people who are entitled to unemployment benefit. In mid 2009, the official unemployment rate exceeded 7% of the country's active population and by the end of the year it will exceed 8%¹³. The earnings growth of the past two years and the fact that many redundancies came from industries with high remuneration rates (metallurgy, chemical industry, real estate, construction) will challenge the capacity of the Unemployment Fund. Some experts have already predicted that the existing funding is rather limited and will not be sufficient to cover the growing number of people entitled to unemployment benefit. We must also consider the problems of individuals who have worked without permanent labour contracts, therefore without social security, and the increasing wave of returning emigrants.

In the past two decades Bulgaria has become a country of emigrants (approximately 10% of the country's population went abroad to search for better jobs). The migrant flows targeted Spain, Italy, Germany, Portugal and other countries that became most affected by the economic and financial crisis and growing unemployment. The immigrants have probably been worst affected by dismissals. Since the beginning of 2009, many of them have been returning to Bulgaria. Some of them were illegal migrants; some were seasonal workers or on temporary contracts; and others were in sectors most affected by the crisis, such as construction. Those who have social security (mostly from EU Member States), transfer their unemployment benefit entitlement to Bulgaria. However, the number of workers who do not have social security records in Bulgaria or in the countries where they have worked in recent years is significant. At the same time, budget resources for social assistance are becoming more restricted, creating insecurity for the near future.

13. According to the Ministry of Labour and Social Policy

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Annex

Social Security Code

Individuals who are subjected to public social security, are insured against the risk of unemployment in the "Unemployment Fund". Public social security is based on the principles of: mandatory and general social security; solidarity of insured people; equality of insured people; social dialogue on the management of the social security system; organisation of insurance funding.

People who fulfil the following conditions are entitled to monetary unemployment benefit: people for whom the social security contributions owing to the Unemployment Fund have been paid for at least 9 months in the past 15 months before termination of social security and who have been registered as unemployed at the Employment Agency; do not have a pension related to their social security history and age or an occupational pension for early retirement; do not exercise labour activity subjected to mandatory social security.

People insured against unemployment under this Code are: workers and employees hired for more than five working days or 40 hours in one calendar month, regardless of job type, manner of payment and source of financing. Insurers shall be every individual, legal entity or association and any other organisation legally obliged to pay social security contributions for third parties.

Social security contributions shall be paid into public social security funds, of which the Unemployment Fund amounts to 1:100 (of calculated gross wage).

The income eligible for social security contributions involves all earnings, including pay calculated and as yet unpaid, and other earned income. The budget of the Public Social Security Act defines the maximum monthly amount of social security contributions in the calendar year; the minimum monthly amount of social security contributions during the calendar year for the self-employed; major economic sectors and groups of occupations, with fixed minimum monthly insurance income for the calendar year by sectors and occupations, and minimum insurance income. Since 1 January 2009, the social security contribution for the Unemployment Fund has been distributed in a ratio of 60:40.

Unemployed people who, under the legal terms of employment have resigned, or have been dismissed due to their misconduct, shall receive the minimum amount of unemployment benefit for a period of four months. Individuals who are unemployed, and who have acquired the right to unemployment benefit within three years of a previous claim to unemployment benefit, will receive the minimum amount of benefit for a period of 4 months.

Individuals hired to work part-time and receiving less than the minimum wage established for the country shall have the right to receive 50% of the entitlement for the remaining period.

Unemployment benefit will be stopped for a period during which an individual receives temporary disability benefit. The individual will be obliged to declare the period of disability, and unemployment benefit will resume from the end date of that period.

Unemployment benefit will be terminated when: the individual starts work for which he/she is subject to obligatory insurance; stops registering at the Agency for unemployment; becomes entitled to a pension based on insurance and age, or to an occupational pension for early retirement; death of the unemployed occurs.

The individual shall be obliged to declare before the respective local division of the National Insurance Institute the occurrence of the abovementioned circumstances within seven days. If, when receiving unemployment benefit, an individual starts paid work, which is terminated after less than 9 months, the payment of benefit shall be resumed for the remaining period after the date of termination.