**EXCERPT**

**from**

**the Bulgarian Social and Labour Law,**

**applicable to the social insurance under occupational schemes**

**Social Insurance Code** (Promulgated, State Gazette (SG) No. 110/17.12.1999, last amended and supplemented SG No. 51/05.06.2020)

…

Language

**Article 120c.** (New, SG No. 92/2017) (1) The documents of the pension insurance companies and the 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.

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Requirements to the information provided (Title amended, SG No. 12/2019)

**Article 123h.** (New, SG No. 67/2003, supplemented, SG No. 56/2006, SG No. 41/2007, SG No. 109/2013, effective 1.01.2014, amended and supplemented, SG No. 92/2017, effective 18.11.2018, amended, SG No. 12/2019) (1) The information, which the pension insurance company shall provide under the requirements of this Code and the statutory instruments on the application thereof to the persons who will be insured in a supplementary pension insurance fund, the insured persons, the pensioners, their heirs and the persons under Items 2 – 4 of Article 230(3) and Item 1 of Article 230(4), must be:

 1. accurate;

 2. updated regularly;

 3. clearly written in an unambiguous, precise and comprehensible language, avoiding the use of professional jargon and professional terminology if they can be replaced by commonly understood concepts;

 4. not misleading and distinguished by consistency in expression and contents;

 5. presented in an easy-to-read manner;

 6. provided in the Bulgarian language and, in cases of insurance under an occupational scheme to which the labour and social legislation of another Member State is applicable - in the official language of that Member State, unless otherwise agreed upon with the person concerned;

 7. provided free of charge.

 (2) The information shall be provided to the persons under Paragraph (1) in a manner chosen by them – electronically, including by e-mail, on a durable medium or via the website of the pension insurance company or on paper. Where the person concerned has not made a choice as to the manner of provision of the information, it shall be provided on paper.

 (3) At the request of the person concerned, where information is provided electronically, the information shall also be provided on paper.

 (4) The information shall be signed by an authorised employee of the company, respectively with a qualified electronic signature of the company, with the exception of the information under Article 123h2, Paragraph (1), Item 2, Paragraph (7), Item 2, Paragraphs (8), (9) and (11), which shall be provided signed to the insured person upon request.

Information regarding the Conclusion of a Social Insurance Contract

 **Article 123h1.** (New, SG No. 12/2019) (1) Prior to the conclusion of a social insurance contract, the pension insurance company must provide the counterparty with up-to-date information about the fund’s key features and the participation therein.

 (2) In the case of social insurance under an occupational scheme, the pension insurance company must provide the persons who will be insured under the scheme, prior to joining it, and in the cases of automatic accession – immediately after it, with information regarding:

 1. the business names, the uniform identification codes and the seat and registered office of the pension insurance company and of the fund for supplementary voluntary pension insurance under occupational schemes;

2. the characteristics of the occupational scheme, as well as the rights and obligations of the company, the fund, the sponsoring undertaking, the insured persons, the pensioners and their heirs;

 3. the investment profile of the fund;

 4. the nature of the financial risks borne by the insured persons and the pensioners;

 5. the absence of guarantees to achieve positive returns and full retention of the deposited funds;

 6. returns achieved when investing the resources of the fund for supplementary voluntary pension insurance under occupational schemes for a period of 5 years or for the entire period of its existence, where the Fund has been operating for a shorter period

 7. whether and how in the course of investing the funds there are taken into account environmental, climate, social and governance factors;

 8. the structure of the costs borne by the insured persons and the pensioners, including the fees and deductions collected by the pension insurance company;

 9. the types of payments arising out of the social insurance in the fund and the manners of receiving them;

 10. the method of recalculation of social insurance payments;

 11. the conditions under which the insured person may transfer the funds accrued on his/her individual account or part thereof;

 12. the name of the authority supervising the activity of the pension insurance company and the fund for supplementary voluntary pension insurance under occupational schemes;

 13. where to obtain additional information.

Information provided to the insured persons, the pensioners, their heirs and the persons under Items 2, 3 and 4 of Article 230(3) and Item 1 of Article 230(4)

 **Article 123h2.** (New, SG No. 12/2019) (1) The pension insurance company shall be obligated:

 1. to familiarise the insured persons and the persons referred to in Article 230, Paragraph (3), Items 2, 3 – 4 and Paragraph (4), Item 1 with the rules of the supplementary pension 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. 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 preceding calendar year;

 3. apart from the case under Item 2, to afford an opportunity for each person insured in the fund to receive information concerning his/her individual account upon request;

 4. to provide the insured persons upon request with information about the real rate of return achieved on their individual accounts.

 (2) The statement under Item 2 of Paragraph (1) shall indicated clearly any material change in the information from the previous year.

 (3) The pension 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) The pension insurance company shall be obliged, upon request, to provide the insured person, the pensioner, respectively the heir 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 on paper or in electronic form.

 (5) Within 7 days the pension insurance company shall be obliged to provide, upon request by a person insured in a supplementary voluntary pension insurance fund or a fund for supplementary voluntary pension insurance under occupational schemes with contributions by a person referred to in Article 230, Paragraph (3), Item 2 or 3, or by a sponsoring undertaking established under the legislation of the Republic of Bulgaria, written information regarding:

 1. the acquisition of rights on the funds in the individual account and the consequences relating to this as a result of termination of the legal relationship with the person referred to in Article 230, Paragraph (3), Item 2 or 3, or with the sponsoring undertaking;

 2. the conditions governing the treatment of the funds in the individual account after the termination of the legal relationship referred to in Item 1 and, where the funds can be withdrawn prior to becoming entitled to a pension, the information shall also include a clause in writing stipulating that the insured person should consider the possibility to seek consultation on the use of these funds for pension insurance.

 (6) Within 7 days the pension insurance company shall be obliged to provide, upon request by the heirs of a deceased insured person or a pensioner in a supplementary voluntary pension insurance fund or a fund for supplementary voluntary pension insurance under occupational schemes, written information regarding the funds in the individual account of the deceased person to which they have entitlements and the conditions governing the treatment of such funds.

 (7) In addition to the information under Paragraphs 1 – 6, the pension insurance company must also provide the insured persons and the pensioners under an occupational scheme with:

 1. information regarding any change in the scheme arising from clauses amending and supplementing the statutory framework, in the rules of organisation and operation of the fund for supplementary voluntary pension insurance under occupational schemes or in the collective bargaining agreement, respectively the collective agreement, within 7 days of the change.

 2. upon request:

 a) the information under Article 123h1(2);

 b) the annual financial statement and the annual report referred to in Article 252(2) for the scheme under which they are insured;

 c) information under Article 251c herein regarding the investment policy of the fund for supplementary voluntary pension insurance under occupational schemes and regarding the structure of the investment portfolio; the information regarding the structure of the investment portfolio shall be provided in the form and contents specified in Article 180.

 (8) The pension insurance company shall provide information on the types of payments to which he/she will be entitled to, to every insured person in a fund for supplementary voluntary pension insurance under occupational schemes in due time before reaching the age under Article 243(4) and (6) or at the request of the person concerned.

 (9) The pension insurance company shall inform annually the pensioners under the occupational scheme on the bearing of investment risk by them and the method of recalculation of their pensions.

 (10) Where the reduction of the pension is decided during the recalculation of the pension, the pension insurance company shall notify the respective pensioner under an occupational scheme of the new amount of the pension payment at least three months prior to the enforcement of the decision.

 (11) In the event that the rules of the fund for supplementary voluntary pension insurance under occupation schemes and the occupational scheme allow for a change in the type of payment granted, the pension insurance company shall inform annually the pensioners of this option, the amount of their funds and the types of payments that may be granted on their basis.

 (12) The standard forms of the documents and the information under Items 2, 3 and 4 of Paragraph (1) and the applicable method for calculating the rate of return under Item 4 of Paragraph (1) shall be determined by an ordinance of the Commission.

…

 Pension Contract

 **Article 169a.** (New, SG No. 67/2003) (1) (Amended, SG No. 92/2017) A pension contract shall be concluded between the pension insurance company and the pensioner upon 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, seat and registered office, commercial registration, number and date of pension licence and uniform identification code of the pension 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 heirs 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 Programmed Withdrawal

 **Article 169b.** (New, SG No. 92/2017) (1) Programmed withdrawal shall be a contractual payment of the funds accumulated in the individual accounts in several portions of the same or different amounts, in equal or diferent periods.

 (2) The contract for programmed withdrawal shall be concluded in writing and must contain:

 1. the business name, seat and registered office, commercial registration, number and date of pension licence and uniform identification code of the pension insurance company and the name and uniform identification code of the supplementary mandatory pension insurance fund;

 2. the names and personal data of the insured person or his/her heirs;

 3. a payment plan;

 4. the procedure and manner of executing the payments;

 5. the rights of the heirs 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.

…

 Principles

 **Article 209.** (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) Supplementary voluntary pension insurance shall be implemented in a supplementary voluntary pension insurance fund and in a fund for supplementary voluntary pension insurance under occupational schemes, hereinafter referred to as "supplementary voluntary pension insurance funds", on the basis of the following principles:

 1. voluntary participation;

 2. …;

 3. …;

 4. …;

 5. …;

 6. ….

 (2) (Amended, SG No. 56/2006) The social insurance in the supplementary voluntary pesnion insurance funds shall be carried out on a fully-funded principle on the basis of defined contributions.

 (3) …

 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 at supplementary voluntary pension insurance funds under the terms and according to the procedure established by this Title.

 (2) (Supplemented, SG No. 56/2006) The supplementary voluntary pension insurance shall be personal. Each person insured at a supplementary voluntary pension insurance fund and a fund for supplementary voluntary pension insurance under occupational schemes shall have an individual social insurance number and an individual account.

 Participation in Supplementary Voluntary Pension 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) …

 (2) …

 (3) Participation in a fund for supplementary voluntary pension insurance under occupational schemes shall commence on the date when the person joins the occupational scheme.

 Rights from Social Insurance at Supplementary Voluntary Pension Insurance Funds

 (Heading amended, SG No. 56/2006)

 **Article 212.** (New, SG No. 67/2003) (1) …

 (2) (New, SG No. 56/2006) Social insurance under occupational pension schemes of sponsoring undertakings 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 programmed withdrawal of the funds accrued on the individual account;

 3. a lump-sum payment or programmed withdrawal of the funds to the heirs of a deceased insured person or of a pensioner.

Reserves of the pension insurance company

**Article 213.** (New, SG No. 67/2003) (1) …

(2) …

(3) …

(4) …

(5) (New, SG No. 12/2019) When managing a fund for supplementary voluntary pension insurance under occupational schemes, the pension insurance company cannot cover biometric risks, guarantee a minimum level of the returns or the amount of the pensions.

(6) …

(7) …

…

Documents Required for Registration of an Occupational Scheme

**Article 229a.** (New, SG No. 56/2006) (1) (Amended, SG No. 92/2017, effective 18.11.2018) The pension insurance company or the foreign 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 agreement related to the occupational scheme;

 2. a copy of the social insurance contract between the sponsoring undertaking and the company or the foreign 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 foreign 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 an order 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 an order under Paragraph 1 has been issued. The following particulars shall be entered in the said register:

 1. business name, seat of business and registered office, commercial registration and uniform identification code of the sponsoring undertaking or the respective particulars of the foreign sponsoring undertaking;

 2. business name, seat of business and registered office, commercial registration and uniform identification code and number of the pension licence of the pension insurance company or the respective particulars of the foreing institution;

 3. (new, SG No. 12/2019) data on the Member State the labour and social legislation of which is applicable to the scheme where different from the Bulgarian.

…

 Management of Occupational Scheme by a Foreign Institution

 **Article 229d.** (New, SG No. 56/2006) (1) A sponsoring undertaking may entrust the management of an occupational scheme to a foreign institution in compliance with the labour and social legislation of the Republic of Bulgaria and the collective bargaining agreement or collective agreement concluded.

 (2) (New, SG No. 12/2019) The foreign institution shall designate one or more depositaries to safekeep the assets of the occupational scheme and exercise of control in accordance with Article 34 and 35 of Directive (EU) 2016/2341.

 (3) (Amended, SG No. 92/2017, renumbered from Paragraph (2), amended, SG No. 12/2019) Within 6 weeks after receipt of the information under Items 2 to 1 of Article 229c (6) 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 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 disclosure of information, which concern the scheme managed by the foreign institution.

 (4) (Amended, SG No. 92/2017, renumbered from Paragraph (3), amended, SG No. 12/2019) 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 disclosure of information by the foreign institution. In case of any detected breach, the Commission shall notify immediately the competent supervisory authority at the seat of the foreign institution and shall coordinate the measures necessary to remedy the breach by the said institution, as proposed by the competent supervisory authority.

 (5) (Amended and supplemented, SG No. 92/2017, amended, SG No. 15/2018, effective 16.02.2018, renumbered from paragraph (4), SG No. 12/2019) 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 foreign institution persists in breaching the provisions referred to in Paragraph (1,) the Commission may, after informing the competent supervisory authority:

 1. apply:

 a) coercive administrative measures;

 b) sanctions;

 2. prevent the foreign institution from managing an occupational scheme for the relevant sponsoring undertaking.

 Transfer of an occupational scheme or part thereof from one fund for supplementary voluntary pension insurance under occupational schemes to another

 **Article 229d1.** (New, SG No. 12/2019) (1) The occupational scheme or part thereof may be transferred from one fund for supplementary voluntary pension insurance under occupational schemes to another fund under a contract between the parties to the occupational scheme on the basis of which a written contract shall be concluded between the pension insurance company representing the fund from which the scheme is being transferred and the pension insurance company representing the fund to which the scheme or part thereof is being transferred.

 (2) When transferring the entire occupational scheme, all rights and obligations relating to the scheme, the equivalent of these rights in cash and/or other assets, as well as data on individual accounts of the insured persons and the pensioners under the scheme shall be transferred. When transferring part of an occupational scheme, all rights and obligations relating to the insurance of the insured persons and pensioners concerned, the equivalent of these rights in cash and/or other assets, as well as data on individual accounts of the respective insured persons and pensioners under the scheme shall be transferred.

 (3) The transfer shall be settled in the agreement and the contract under Paragraph (1) and shall be carried out in a way that ensures the preservation of the rights of the insured persons and the pensioners under the scheme and corresponds to their long-term interests.

 (4) The agreement for transfer of an occupational scheme or part thereof shall contain the name of the fund to which the scheme is being transferred and the business name of the company that represents it. When transferring part of an occupational scheme, the agreement shall also include the specific insured persons and pensioners whose individual accounts are being transferred.

 (5) The agreement for transfer of the occupational scheme shall be approved by a simple majority of the insured persons and a simple majority of the pensioners under the scheme. The agreement for transfer of part of the occupational scheme shall be approved by a two-thirds majority of the insured persons whose individual accounts are being transferred, two-thirds of the insured persons whose insurance shall not change, two thirds of the pensioners whose individual accounts are being transferred and two thirds of the pensioners whose accounts shall remain in the fund under which the scheme is being managed.

 (6) The contract between the pension insurance companies managing the funds involved in the transfer must contain the details of the occupational scheme to be transferred, the transferred assets, rights and obligations, as well as the manner and time limit of their transfer and the provision of data on the individual accounts of the insured persons and the pensioners. When transferring part of an occupational scheme, the contract shall include the specific insured persons and pensioners whose individual accounts are being transferred, as well as a description of the assets that will be transferred, if any assets other than cash are being transferred.

 (7) …

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 (16) …

 (17) …

 (18) …

 Transferring a scheme or part thereof, managed by a foreing institution, to a fund for supplementary voluntary pension insurance under occupational schemes

 **Article 229d2.** (New, SG No. 12/2019) (1) …

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 (17) In the event of disagreement with an act or omission of the competent supervisory authority of the home Member State of the foreign institution, the Commission may request non-binding mediation from the European Insurance and Occupational Pensions Authority. The Commission shall also participate in the mediation proceedings at the request of the competent supervisory authority of the home Member State of the non-resident institution or on the initiative of the European Insurance and Occupational Pensions Authority.

 Transferring the management of an occupational scheme or part thereof to a foreign institution

 **Article 229d3.** (New, SG No. 12/2019) (1) An occupational scheme or part thereof, managed by a pension insurance company, may be transferred to a foreing institution. The provisions of Article 229d1, Paragraphs (2) and (6) shall apply mutatis mutandis.

 (2) Where the Bulgarian labour and social legislation is applicable to the occupational scheme, the provisions of Article 229d(2) and Article 229d1(3), (4) and (5) shall apply. Where the labour and social legislation of another Member State is applicable to the scheme, its provisions on the procedure for the approval of the transfer by insured persons, pensioners and sponsoring undertakings, as well as on the requirements for the appointment of a depositary, shall apply.

 (3) Within 8 weeks after the receipt of the application submitted by the foreign institution to the competent supervisory authority of its home Member State, the Commission shall, on a proposal of the Deputy Chairperson of the Commission, render a decision granting or refusing to give prior consent for the transfer of the occupational scheme or the relevant part thereof.

 (4) The Commission shall refuse to give consent for the transfer of the occupational scheme or the relevant part thereof, where:

 1. the required documents have not been submitted, they do not contain all the required information or contain incorrect data;

 2. the transfer of part of an occupational scheme endangers the long-term interests of the insured persons or the pensioners for the part of the scheme that will continue to be managed in the fund for supplementary voluntary pension insurance under occupational schemes;

 3. the transfer does not ensure the full preservation of the rights of the insured persons and the pensioners under the occupational scheme;

 4. the assets to be transferred are not sufficient or appropriate to fully cover the rights and obligations relating to the scheme or to the relevant part thereof.

 (5) The Commission shall send the decision to the competent supervisory authority of the home Member State of the foreign institution within the time limit under Paragraph (3).

 (6) Where the occupational scheme is subject to the labour and social legislation of a Member State other than the Member State in which the foreign institution is established, the Commission shall, within 4 weeks after the receipt of the decision of the competent supervisory authority of the home Member State of the foreign institution, send it the provisions of the labour and social legislation applicable to the scheme and the applicable provisions relating to the disclosure of information.

 (7) The cost of transfer shall be borne by the pension insurance company, the foreign institution and/or the sponsoring undertaking depending on the agreement between them and cannot be borne by the fund for supplementary voluntary pension insurance under occupational schemes and the insured persons and pensioners therein.

 (8) Where the provisions of the Bulgarian labour and social legislation are applicable to the management of the scheme, the provisions of Article 229d(3), the second sentence, and Paragraphs (4) and(5) shall apply.

 (9) The provision of Article 229d2, Paragraph (17) shall apply mutatis mutandis.

 …

 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 pension insurance funds.

 (2) The contributions under Paragraph 1 shall be in cash and may be monthly, for another period, or lump-sum.

 (3) …

 (4) (New, SG No. 56/2006) Contributions to a fund for supplementary voluntary pension insurance under occupational schemes may be made:

 1. by sponsoring undertakings established according to the legislation of the Republic of Bulgaria and of any other Member State - for the persons insured thereby in an occupational scheme;

 2. by natural persons insured under an occupational scheme.

 (5) …

 (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 pension 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 pension 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 pension benefits, including supplementary benefits due in respect of spouses and dependants, and the conditions governing the duration and retention of entitlement to pension benefits.

 Collective Bargaining

 **Article 232.** (New, SG No. 67/2003) (1) …

 (2) (New, SG No. 56/2006) Social insurance under occupational schemes shall be mandatorily regulated in a collective bargaining agreement or in a collective agreement of a minimum content under Article 237 (3) herein.

 Obligation to Transfer Social Insurance Contribution

 **Article 233.** (New, SG No. 67/2003) (1) ...

 (2) (New, SG No. 56/2006) Sponsoring undertakings shall deduct 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 transfer the said contribution to the fund for supplementary voluntary pension insurance under occupational schemes.

Individual Account

 **Article 234.** (New, SG No. 67/2003) (1) (Supplemented, SG No. 56/2006) The contributions to supplementary voluntary pension insurance funds and the funds transferred from another supplementary voluntary pension 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 pension insurance fund and/or one account at a fund for supplementary voluntary pension insurance fund 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) …

 (4) …

 (5) …

 (6) …

 (7) …

 (8) No reallocation of funds between individual accounts shall be admissible.

 (9) …

 (10) …

 (11) The funds accrued on the individual accounts of the insured persons shall not be subject to enforcement.

 (12) …

 (13) …

 Conclusion of Social Insurance Contract

 **Article 235.** (New, SG No. 67/2003) (1) (Amended, SG No. 56/2006) The supplementary voluntary pension insurance contract shall regulate the supplementary voluntary pension insurance relations and shall be concluded between:

 1. …

 2. the pension insurance company, of the one part, and the sponsoring undertaking, of the other part - for insurance in a fund for supplementary voluntary pension insurance under occupational schemes.

 (2) …

 (3) …

 (4) (New, SG No. 56/2006) In the cases of insurance in a fund for supplementary voluntary pension insurance under occupational schemes, upon conclusion of the social insurance contract, the sponsoring undertaking shall present to the pension insurance company the collective agreement or an abstract transcript of the collective bargaining agreement, 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 programmed withdrawal the pension insurance company shall be obliged to familiarize the insured person with his/her rights in connection with the acquired pension entitlement and to consult him/her in choosing the most suitable payment.

 Restrictions on Insured Persons' Rights

 **Article 236.** (New, SG No. 67/2003) (1) …

 (2) …

 (3) (New, SG No. 46/2018, effective 21.05.2018) When paying social insurance contributions for their employees and the persons with whom contracts for management and control have been concluded, the persons referred to in Article 230, Paragraph (3), Item 2 or 3, or the sponsoring undertaking established under the legislation of the Republic of Bulgaria may apply a waiting period not longer than 6 months from the date of establishment of the the legal relationship with the respective person.

(4) (New, SG No. 46/2018, effective 21.05.2018) Where a waiting period is applied, the persons referred to in Article 230, Paragraph (3), Item 2 or 3, or the sponsoring undertaking established under the legislation of the Republic of Bulgaria shall provide within 7 days, upon request, to their workers and employees and to the persons with whom contracts for management and control have been concluded, information in writing regarding the applied waiting period and the consequences of such period in the case of termination of the legal relationship.

 (5) (New, SG No. 56/2006, renumbered from Paragraph (3), amended and supplemented, SG No. 46/2018, effective 21.05.2018) In the cases of social insurance under an occupational scheme, the restrictions on the rights of the insured persons and the lifting of the said restrictions shall be regulated in the collective bargaining agreement or in the collective agreement, as the case may be, on the occupational scheme, unless otherwise provided for in this Code.

 Contents of the 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 uniform identification code of the supplementary voluntary pension insurance fund or of the fund for supplementary voluntary pension insurance under occupational schemes, the pension licence and the commercial registration of the pension insurance company which manages the supplementary voluntary pension insurance fund, and the uniform identification code or the respective particulars of the foreign institution;

 2. (supplemented, SG No. 46/2018, effective 21.05.2018) the subject and scope of social insurance, as well as the waiting period if applicable;

 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 heirs 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 pension insurance company of the insurance intermediary, respectively of the person authorised by an insurance intermediary, which is a legal entity, in the cases where the contract is concluded through its intermediation.

 (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 pension insurance under occupational schemes shall furthermore contain a full description of the scheme.

 (3) (New, SG No. 56/2006) The occupational scheme shall determine:

 1. (supplemented, SG No. 46/2018, effective 21.05.2018) the conditions and scope of social insurance, as well as the waiting period if applicable;

 2. the types of pension 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 perpetual 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 pension insurance fund or in a fund for supplementary voluntary pension 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 of the organization and operation of the fund and of 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 pension insurance fund or in a fund for supplementary voluntary pension insurance under occupational schemes may not be terminated unilaterally by the pension insurance company save in the cases provided for in this Code.

 (2) …

 (3) (New, SG No. 56/2006) The social insurance contract for insurance in a fund for supplementary pension insurance under occupational schemes shall be terminated upon the transfer of the occupational scheme to another fund for supplementary voluntary pension insurance under occupational schemes.

 Pension Contract

 **Article 241.** (New, SG No. 67/2003) (1) A pension contract with the pension 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 elements specified Article 169a (2) herein.

Contract for Programmed Withdrawal

**Article 241a.** (New, SG No. 92/2017) The provision of Article 169b shall apply mutatis mutandis to contracts for programmed withdrawal of funds from a supplementary voluntary pension insurance fund or from a fund for supplementary voluntary pension insurance under occupational schemes.

…

 Personal Old-Age Pension

 **Article 243.** (New, SG No. 67/2003, amended, SG No. 112/2003, SG No. 56/2006) (1) …

 (2) …

 (3) …

 (4) The entitlement to a personal old-age pension upon insurance in a fund for supplementary voluntary pension insurance under occupational schemes shall arise upon reaching 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 agreement or in the collective bargaining agreement, as the case may be, the fund for supplementary voluntary pension insurance under occupational schemes may pay the insured person the old-age pension for up to five years prior to reaching of the age of 60 years.

…

 Rights of Heirs

 **Article 245.** (New, SG No. 67/2003) (1) …

 (2) …

 (3) …

 (4) …

 (5) …

 (6) (New, SG No. 56/2006) The persons, who are entitled to a lump-sum payment or programmed withdrawal from a fund for supplementary voluntary pension insurance under occupational schemes upon death of the insured person or pensioner, shall be determined in the collective bargaining agreement or the collective agreement.

 (7) (New, SG No. 56/2006) Where there are no persons referred to in Paragraph 6, the funds accrued on the individual account shall be due according to the Succession Act.

 Amount of Pension

 **Article 246.** (New, SG No. 67/2003) (1) …

 (2) …

 (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 of funds 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) …

 (5) …

 (6) …

 (7) …

 (8) …

 (9) …

 (10) …

 (11) …

 (12) …

 (13) …

 Right to Transfer from Supplementary Voluntary Pension Insurance Fund or from Fund for Supplementary Voluntary Pension Insurance under Occupational Schemes (Heading amended, SG No. 56/2006)

 **Article 247.** (New, SG No. 67/2003) (1) …

 (2) …

 (3) …

 (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 funds accrued from personal social insurance contributions on the individual account or part of the said funds from one fund for supplementary voluntary pension insurance under occupational schemes to another such fund, managed by another pension insurance company.

 (5) (New, SG No. 56/2006, repealed, SG No. 12/2019).

 (6) …

 Right to Withdrawal and Payment of Accrued Funds

 **Article 248.** (New, SG No. 67/2003, amended, SG No. 56/2006) (1) …

 (2) (Amended, SG No. 92/2017) Upon 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 pension 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 programmed withdrawal 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) (Amended, SG No. 46/2018, effective 21.05.2018) The insured persons, in respect of whom social insurance contributions are no longer being made as a consequence of their moving from the Republic of Bulgaria to another Member State, shall preserve their rights to the same extent as the insured persons in respect of whom social insurance contributions are no longer being made but who remain within the Republic of Bulgaria.

 (2) (Amended, SG No. 46/2018, effective 21.05.2018) Paragraph (1) shall also apply to the persons referred to in Article 245.

 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.

…

 Accounts of Supplementary Voluntary Pension Insurance Funds (Heading amended, SG No. 92/2017)

 **Article 252.** (New, SG No. 67/2003) (1) ....

 (2) (New, SG No. 56/2006, amended, SG No. 92/2017) The pension insurance company or the foreign 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 to the sponsoring undertaking under the occupational pension scheme and to the Commission within three months after the end of the financial year.

…

 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 of 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. …

 2. transfer the funds accrued on the individual account thereof to another supplementary voluntary social insurance fund or withdraw as a lump sum the funds accrued on the individual account thereof from personal contributions: applicable to supplementary voluntary social insurance.

 (4) ....

 (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.

***…***

 Right 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 his/her discretion, the following:

 1. …;

 2. the funds from the insured person's individual account held with a universal pension fund and/or a professional pension fund and /or a fund for supplementary voluntary pension insurance under occupational schemes.

 (2) (Amended, SG No. 60/2011, effective 5.08.2011) The group of people who shall have the right to such transfers, the prerequisites and time limits to exercise it 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) ....

 (4) The transfer of the funds referred to in Paragraph 1(2) shall be carried out if no pension has been granted from the relevant fund for supplementary pension insurance and if no contract has been concluded for lump sum payment or programmed withdrawal of the funds in the individual account.

 (5) (Amended, SG No. 60/2011, effective 5.08.2011, SG No. 92/2017, effective 1.04.2018, supplemented, SG No. 46/2018, effective 21.05.2018) The restrictions governing transfers under Article 171(1), Article 236(5) and Article 247(4) shall not apply with respect to transferring funds to the EU pension schemes.

 (6) Any bank transfer costs shall be paid by the National Social Security Institute or by the pension 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) ...

 (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 pension insurance, and the individual account held with this fund shall be closed.

 (3) Persons who have transferred their pension rights from the state social insurance and have kept their rights in a fund for supplementary pension insurance shall:

 1. …

 2. acquire the right to pension from a fund for supplementary voluntary pension insurance under occupational schemes when reaching the age of 60 or within 5 years before reaching this age.

 3. ...

 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. ...

3. ...

(2) (New, SG No. 99/2019, effective 1.01.2020) Any person born after 31 December 1959 who is not subject to supplementary mandatory pension insurance in a universal pension fund and whose relationship with an institution or body of the European Union through which said person was insured under a EU pension scheme has been terminated shall be entitled to transfer, as the person may choose, the funds reflecting the rights acquired under said pension scheme to:

1. the Pensions Fund, respectively the Pensions of Individuals referred to in Article 69 Fund of the public social insurance system; in respect of persons referred to in Article 127(5) and born after 31 December 1959, who have not exercised their right to choose insurance according to Article 4b, the funds shall be transferred to the Pensions Fund, respectively to the Pensions of Individuals referred to in Article 69 Fund of the public social insurance system, as well as to a universal pension fund, or

2. ...

3. ...

(3) (Amended, SG No. 60/2011, effective 5.08.2011, renumbered from Paragraph (2), SG No. 99/2019, effective 1.01.2020) 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.

(4) (Renumbered from Paragraph (3), supplemented, SG No. 99/2019, effective 1.01.2020) The capital under Paragraph (1)(1) and Paragraph (2)(1) shall be transferred when the person commences to carry on work which is subject to mandatory insurance according to this Code.

Consequences from transferring pension rights from the EU pension schemes to the state social insurance and to funds for supplementary mandatory pension insurance (Heading amended, SG No. 60/2011, effective 5.08.2011)

**Article 343d.** 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 pension funds from which the funds were previously transferred;

2. …

(2) (New, SG No. 99/2019, effective 17.12.2019) When a person has elected one of the options under Item 1 of Article 343c(2), the National Social Security Institute shall distribute the funds received from the EU pension scheme in the following sequence:

1. where funds have been transferred to the EU pension scheme in accordance with 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 of Individuals referred to in Article 69 Fund, as the case may be, of the public social insurance system; where, in respect of persons referred to in Article 127(5) who have not exercised their right to choose insurance according to Article 4b, funds have been transferred to the EU pension scheme in accordance with Article 343a(1)(2), said funds shall be paid back to the Pensions Fund or the Pensions of Individuals referred to in Article 69 Fund, as the case may be, of the public social insurance system, as well as to the relevant types of supplementary pension funds from which the funds were previously transferred;

2. …

(3) (Amended, SG No. 60/2011, effective 5.08.2011, renumbered from Paragraph 2, supplemented, SG No. 99/2019, effective 17.12.2019) When calculating the funds under Item 2 of Paragraph (1) and Item 1 of Paragraph (2), 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.

(4) …

(5) …

…

 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 mutatis mutandis.

 (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.

…

**Supplementary provisions**

**§ 1**. …

 (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 pension insurance stipulated in a collective agreement or in a collective bargaining agreement 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 pension insurance company.

 2a. (New, SG No. 56/2006) "Collective 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.

…

7. (Supplemented, SG No. 92/2017, effective 18.11.2018, amended, SG No. 12/2019) "Technical interest rate" shall be the interest rate which is applied upon calculation of the amount of pensions and of pension reserves.

…

 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 pension insurance fund or to a fund for supplementary voluntary pension 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 agreement or a collective bargaining agreement.

 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 provision, 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 pension insurance fund.

 13. "Supplementary pension" shall be a lifelong or fixed-period monthly payment from a supplementary pension insurance fund to a pensioner, to survivors of an insured person or to survivors of a pensioner.

…

 25. (New, SG No. 56/2006) "Foreign 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, amended, SG No. 12/2019) "Biometrical risks" shall be the risks linked to death or longevity.

…

 34. (New, SG No. 46/2018, effective 21.05.2018) "Waiting period" means the period of employment, required under the rules of the insurance contract, the collective agreement or the collective bargaining agreement or required by the persons referred to in Article 230, Paragraph (3), Items 2 and 3 or the sponsoring undertaking to start making contributions to a supplementary voluntary pension insurance fund or a fund for supplementary voluntary pension insurance under occupational schemes for the worker or employee concerned or for the person concerned with whom a contract for management and control has been concluded.

35. (New, SG No. 12/2019) "Durable medium" is a tool that enables the person concerned to store the information personally addressed to him/her in a way that is accessible for future reference and for a period of time consistent with the purpose of the information and which allows for accurate reproduction of the stored information.

…

 (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.

…

**Labour Code**

(Promulgated, State Gazette No. 26/1.04.1986 and No. 27/4.04.1986, last amended and supplemented, SG No. 44/13.05.2020)

…

Subject

**Article 50**

(1) The collective bargaining agreement shall regulate issues of the industrial and social-security relations of workers and employees, which are not regulated by mandatory provisions of the law.

(2) (Supplemented, SG No. 25/2001) The collective bargaining agreement may not contain clauses which are less favourable to the workers and employees than the provisions of the law or of a collective agreement which is binding on the employer.

Levels of Collective Bargaining

**Article 51**

(Amended, SG No. 2/1996, SG No. 25/2001)

(1) collective bargaining agreements shall be concluded by enterprise, branch, industry and municipality.

(2) Only one collective bargaining agreement may be concluded at the level of enterprise, branch and industry.

Collective Bargaining Agreement in Enterprises

**Article 51a**

(New, SG No. 25/2001)

(1) Within an enterprise, the collective bargaining agreement shall be concluded between the employer and a trade union organisation.

(2) The trade union organisation shall prepare and submit the draft of a collective bargaining agreement. Where more than one trade union organisations exist within one enterprise, they shall submit a common draft.

(3) Where within the enterprise the trade union organisations fail to submit a common draft, the employer shall conclude the collective bargaining agreement with the trade union organisation whereof the draft has been adopted by the General Meeting of the workers and employees (the meeting of proxies) by a majority of more than half of the members thereof.

Collective Bargaining Agreement at Industry and Branch Levels

**Article 51b**

(New, SG No. 25/2001)

(1) (Amended, SG No. 108/2008) A collective bargaining agreement by industry and branch shall be concluded between the respective representative organisations of workers and employees and of employers.

(2) (New, SG No. 120/2002, amended, SG No. 58/2010, effective 30.07.2010) If the parties so agree, collective bargaining at the industry or branch level may cover one or several activities under the Classification of Economic Activities.

(3) (Renumbered from Paragraph (2), SG No. 120/2002) The representative organisations of the workers and employees shall prepare and submit a common draft to the representative organisations of the employers.

(4) (Renumbered from Paragraph (3), SG No. 120/2002) Where the collective bargaining agreement at industry or branch level has been concluded between all representative organisations of the workers and employees and of the employers in the industry or the branch, the Minister of Labour and Social Policy may, upon their joint request, extend the application of the agreement or of individual clauses thereof to all enterprises of that industry or branch.

Collective Bargaining Agreements by Municipality

**Article 51c**

(New, SG No. 25/2001)

(1) In the municipalities collective bargaining agreements for activities financed from the municipal budget shall be concluded between the representative organisations of the workers and employees and of the employers.

(2) The local divisions of the representative organisations of the workers and employees shall submit common drafts of collective bargaining agreements to the local divisions of the representative organisations of the employers.

Obligations to Negotiate and to Provide Information (Heading amended, SG No. 25/2001)

**Article 52**

(1) The individual employer, the group of employers, and their organisations shall be obligated:

1. to negotiate with the workers and employees' representatives for conclusion of a collective bargaining agreement;

2. to make available to the workers and employees' representatives:

(a) the collective bargaining agreements concluded which bind the parties on the basis of industry, territorial or organisational affiliation;

(b) (amended, SG No. 25/2001) timely, true and understandable information on their economic and financial position which is relevant to the conclusion of the collective bargaining agreement; provision of information whereof the disclosure could cause injury to the employer may be refused or granted subject to a requirement of confidentiality.

(2) Upon failure to perform the obligation under the foregoing paragraph, the blameworthy employers shall owe compensation for the detriment inflicted.

(3) The employer shall be considered to be in delay if the employer does not fulfil the obligation thereof under Item 1 of Paragraph (1) within one month, and under Item 2 of Paragraph (1) within 15 days after the notice.

(4) (New, SG No. 25/2001) The trade union organisations in the enterprise shall, upon request by the employer at the start of negotiations for conclusion of a collective bargaining agreement, provide information about the actual number of their members.

Conclusion and Recording

**Article 53**

(1) The collective bargaining agreement shall be concluded in writing in triplicate: one copy for each of the parties and one for the respective labour inspectorate, and shall be signed by the representatives of the parties.

(2) The written form shall be a requisite for the validity of the collective bargaining agreement.

(3) The collective bargaining agreement shall be recorded in a special register at the labour inspectorate in the area where the employer's registered office is located. In case the employer has registered offices in different areas, the recording shall be effected at one of the inspectorates. collective bargaining agreements of an industry-wide or national significance shall be registered with the General Labour Inspectorate Executive Agency. Disputes as to the competent inspectorate shall be settled by the Minister of Labour and Social Policy.

(4) (Amended, SG No. 108/2008) The recording shall be effected on the basis of an application in writing by each of the parties within one month after receipt of the said application by the labour inspectorate. A copy of the agreement signed by the parties and an electronic image of the document shall be attached to the application.

(5) (New, SG No. 108/2008) Copies of the collective bargaining agreements as recorded shall be provided ex officio, according to a procedure established by the Minister of Labour and Social Policy, to the National Institute of Conciliation and Arbitration, which shall create and maintain an information system on the collective agreements.

(6) (Renumbered from Paragraph (5), SG No. 108/2008) Should a dispute as to the text of the agreement arise, the recorded text shall prevail.

Entry into Force and Duration

**Article 54**

(1) The collective bargaining agreement shall enter into force as from the date of its conclusion, insofar as it does not provide otherwise.

(2) (Amended, SG No. 25/2001) The collective bargaining agreement shall be deemed concluded for a term of one year, insofar as it does not provide otherwise, but for not more than two years. The parties may stipulate a shorter duration of individual clauses.

(3) (New, SG No. 25/2001) The negotiations for conclusion of a new collective bargaining agreement shall commence not later than three months prior to the expiry of the term of the effective collective agreement.

Extension of Effect of Collective Bargaining Agreement

**Article 55**

(1) (Previous text of Article 55, SG No. 25/2001) The effect of the collective bargaining agreement concluded between an employers' organisation and trade union organisations shall not be terminated with regard to an employer who terminates his membership in the said organisation after the agreement has been concluded.

(2) (New, SG No. 25/2001, supplemented, SG No. 108/2008) In the cases under Articles 123 and 123a, the existing collective bargaining agreement shall be valid until conclusion of a new collective agreement, but for not more than one year after the date of change of the employer.

Amendment

**Article 56**

(1) The collective bargaining agreement may be amended at any time with the parties' mutual consent, according to the procedure for the conclusion thereof.

(2) Articles 53 and 54 shall apply to amendments to the collective bargaining agreement.

Effect with Regard to Persons

**Article 57**

(1) The collective bargaining agreement shall have effect with regard to the workers and employees who are members of the trade union organisation which is party to the agreement.

(2) (Supplemented, SG No. 2/1996, amended, SG No. 25/2001) The workers and employees who are not members of a trade union organisation which is party to a collective bargaining agreement may accede to a collective bargaining agreement concluded by their employer by applications in writing submitted to the said employer or to the leadership of the trade union organisation which has concluded the agreement, under terms and according to a procedure determined by the parties to the agreement, so as not to be in conflict with or to circumvent the law, or to be contrary to good morals.

Obligation to Provide Information

**Article 58**

(Amended, SG No. 100/1992, SG No. 48/2006)

The employer shall be obligated to inform all workers and employees of the collective bargaining agreements concluded at the enterprise, by industry, branch or municipality which are binding on the said employer, and to keep the texts of the said agreements at the disposal of the workers and employees.

Legal Actions upon Non-performance

**Article 59**

(Amended, SG No. 25/2001)

In the event of non-performance of the obligations under the collective bargaining agreement, legal actions may be brought before the court by the parties to the agreement, as well as by any worker or employee who is subject to the application of the agreement.

Nullity Action

**Article 60**

(Repealed, SG No. 100/1992, new, SG No. 25/2001)

Any party to the collective bargaining agreement, as well as any worker or employee who is subject to the application of the agreement, shall have a right to bring a legal action before the court motioning for the declaration of a nullity of the collective bargaining agreement or of individual clauses thereof, provided such clauses are in conflict with or circumvent the law.

 …

**Ordinance No 57 of 16.01.2018 on the requirements to the annual report on the occupational scheme and the procedure and manner for presentation of information on the management of an occupational scheme of a foreign sponsoring undertaking** (Promulgated, State Gazette No. 10/30.01.2018, amended SG No 41/21.05.2019)

…

**Article 2.** (1) The annual report on the occupational scheme shall be prepared in writing and shall be signed and sealed by the persons managing and representing the pension insurance company or the foreing institutions respectively.

(2) The information in the report must be presented in a consistent, complete and clear way.

**Article 3**. The annual report on the occupational scheme shall mandatorily contain:

1. the name, the uniform identification code and the LEI code of the pension insurance company, the name, the uniform identification code and the LEI code of the supplementary voluntary pension fund under occupational schemes, or respectively the name and the identification code of the foreign institution;
2. the name and the identification code of the sponsoring undertaking;
3. the name and date of the concluded contract with the sponsoring undertaking;
4. the number of insured persons and pensioners in the occupational scheme at the beginning of the reporting period, and the number of insured persons and pensioners in the occupational scheme as at the end of the reporting period, including the new insured persons and pensioners, the persons, who have transferred all their funds, the persons, to whol all funds have been paid, and the deceased persons during this period;
5. the amount of the funds, accrued in the occupational scheme at the beginning and at the end of the reporting period, including from contributions by the sponsoring undertaking and by the insured persons;
6. the amount of the received contributions in the occupational scheme month by month, including from contributions by the sponsoring undertaking and by the insured persons;
7. fees and deductions, collected for the management of the occupational scheme during the reporting period;
8. details about a phone and a contact person with the pension insurance company, or respectively with the foreign institution, for provision of additional information.

…

…..

**Article 5.** (1) …

(2) The information which the foreign institution shall include in the report pursuant to Art. 3, item 7, shall contain all fees and deductions, collected during the reporting period according to the rules applied by it.

**Article 6**. The pension insurance company or the foreign institution respectivey may include in the annual report additional information on:

1. the management during the reporting year of the supplementary voluntary pension fund with occupational schemes, or respectively of the foreign institution, and on the risks taken in the course of the investment of the funds, including on the significant events, which have affected the activity of the company, or respectively of the foreign institution, in the course of the management of the funds;
2. the fulfillment of the obligations stemming from the social insurance contract;
3. the effect on the scheme, including on the rights and obligations of the sponsoring undertaking and the insured persons, of the amendments to the legal framework and/or to the rules for organization and operation of the fund, that have taken place during the reporting period, respectively of the rules, applicable to the scheme.

**Supplementary provision**

**§ 1**. Within the meaning of this ordinance “reporting period” shall be the period from 1 January to 31 December including of the reporting year. In case of the occupational scheme is registered during the reporting year, for the beginning of the first reporting period shall be considered the date of its registration.

**…**

**Ordinance No 61 of 27.09.2018 on the requirements to the advertising and written information materials and the websites of the pension insurance companies** (Promulgated, State Gazette No. 84/12.10.2018, amended SG No 41/21.05.2019)

**Article 1.** (1) The ordinance shall determine:

1. the requirements to the advertising and written information materials of the pension insurance companies;

2.…

3.…

4.…

5.…

6. the applicable method for calculating the achieved real return on the individual accounts of the insured persons in the supplementary pension funds.

(2) The requirements of this ordinance shall apply to all advertising and written information materials, including printed, audio, visual, electronic or other, which contain a description of the characteristics, products, services and performance of the pension insurance companies and the supplementary pension insurance funds managed by them.

(3) The requirements of this ordinance shall also apply to materials which:

1. the pension insurance company distributes, publishes on its website in the internet or includes in the content of its advertising and written information materials;

2. are distributed by other persons on behalf of the company or with the participation of its representatives.

**Article 2.** (1) The advertising and written information materials of the pension insurance companies shall:

1. be prepared in the Bulgarian language and, when accompanied by a foreign translation, be in full conformity with the text in the Bulgarian language;

2. be written clearly and the terms and concepts used shall be in accordance with the terminology adopted in the regulation;

3. not contain texts contrary to the legal framework;

4. contain accurate and up-to-date information about the pension insurance company and the supplementary pension insurance funds managed by it and the conditions for social insurance in them;

5. not present products and services that the respective pension insurance company does not currently offer;

6. not contain false, incomplete, misleading or deceitful data and information, including that by means of the information in them there are not concealed or disguised material facts and circumstances;

7. not contain ambiguous or exaggerated information, as a result of which the addressee may come to a false impression or conclusion about a pension insurance company, about a fund managed by it or about the supplementary pension insurance;

8. contain a text that the stated results have no relation to future results when information is provided about the results of the activity of the pension insurance company and the supplementary pension insurance funds managed by it;

9. contain indicators and periods for the numerical data specified therein;

10. contain the source where the information can be compared or received in full when references to documents, survey results or statistical information are used;

11. not contain a self-assessment of the company and / or its supplementary pension funds, such as "largest", "best", "leader" and other similar expressions;

12. not contain a promise to achieve future return on investment;

13. contain quotations or references to publications only if there is no doubt as to their veracity.

(2)…

(3)…

(4)…

(5) If the pension insurance company is part of a financial group, the activity of the company should be clearly distinguished from that of the group and the results achieved by the group shall not be presented as inherent results of the company.

(6) As shareholders of the pension insurance company there shall be designated only natural or legal persons directly owning shares in it, while allowing alos disclosure of the beneficial owners.

**Article 3.** (1) In case of amendments and supplements to the legal framework governing the supplementary pension insurance activity, the pension insurance company shall update the content of the advertising and written information materials or suspend their distribution within 14 days from the entry into force of the change. The information on the company's website shall be updated within 7 days of the change.

(2) A previous text of an advertising or a written information material may be preserved with an explicit note on the date of its amendment or supplement.

**…**

**Article 14.** The achieved real return on an individual account of an insured person in a supplementary pension fund shall be calculated by means the money-weighted approach by applying the formula in Annex No 16.

**…**

**Annex No 16 to Art. 14**

|  |
| --- |
| The real rate of return on the individual account in percentage, calculated under the money-weighted approach is equal to that value of Rreal which satisfies the folowing equation: |
|  |

|  |
| --- |
| $$N\_{n}=N\_{0 }\frac{CPI\_{n}}{CPI\_{0}}×(1+\frac{R\_{real}}{100})+ \sum\_{i=1}^{n}F\_{i}×\left(1+\frac{R\_{real}}{100}\right)^{\frac{n-i}{n}}×\frac{CPI\_{n}}{CPI\_{i}}$$ |

|  |
| --- |
| where:Rreal is the real rate of return in percentage;n – the total number of days in the period;i – the number of the corresponding day in the period; |

|  |
| --- |
| N0 – opening balance;Nn – closing balance;CPIn – consumer price index (CPI, 1995=100) for the month in which the last day of the period falls, published by NSI;CPIi – consumer price index (CPI, 1995=100) for the month in which the i-day falls, published by NSI; CPI0 – consumer price index (CPI, 1995=100) for the month in which the day before the beginning of the period falls, published by NSI;Fi – net money flow on the individual account for the i-day (positive or negative), which is equal to the revenue on the individual account less payed/withdrawn or transferred in other pension fund resources (incl. to the State Fund for guaranteeing the stability of the State Pension System or the “Pensions” Fund and the “Pensions for the Persons under Art. 69” Fund of the state social insurance). |

***Notes:***

*1. The excerpt of the legislation is up-to-date as at 30.06.2020. Apart from the social and labour law it also contains the applicable requirements of the Bulgarian legislation for disclosure of information in case of social insurance in an occupational pension scheme with regard to Art. 11, par. 6 and Title IV of Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).*

*2. With … are marked provisions in legal acts which are in force but are not included in the excerpt, as are not relevant to the social insurance in occupational schemes.*