

ПОСТОЯННО ПРЕДСТАВИТЕЛСТВО НА
РЕПУБЛИКА БЪЛГАРИЯ ПРИ СЛУЖБАТА НА ООН И
ДРУГИТЕ МЕЖДУНАРОДНИ ОРГАНИЗАЦИИ В ЖЕНЕВА



MISSION PERMANENTE DE
LA REPUBLIQUE DE BULGARIE AUPRES DE L'ONU ET
LES AUTRES ORGANISATIONS INTERNATIONALES A GENEVE

OHCHR REGISTRY

No 461

15 APR 2010

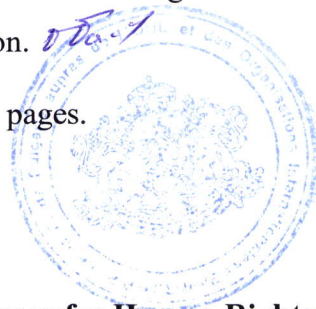
Recipients: SPD

Geneva, April 12th, 2010

The Permanent Mission of the Republic of Bulgaria to the United Nations and other international organizations in Geneva presents its compliments to the Office of the United Nations High Commissioner for Human Rights and referring to the Note of the Secretary General of the United Nations with reference POVERTY 2009 ER, dated November 20, 2009, has the honour to transmit information provided by the Ministry of Labour and Social Policy of the Republic of Bulgaria in connection with Human Rights Council resolution 8/11 entitled "Human Rights and extreme poverty".

The Permanent Mission of the Republic of Bulgaria avails itself of this opportunity to renew to the Office of the United Nations High Commissioner for Human Rights the assurances of its highest consideration.

Annex: in accordance with the text – 17 pages.



Office of the United Nations High Commissioner for Human Rights

**To the attention of the UN Independent expert on the question of human rights
and extreme poverty**

**UNOG-OHCHR
CH-1211 Geneva 10**

Questionnaire on social protection of older persons addressed to Governments by the Independent Expert on the question of human rights and extreme poverty

Considering the above definition, please list and describe the old age pension programme(s) implemented by the State including both contributory and non-contributory pensions. In cases where there has been more than one programme implemented, please provide a separate reply to the questions below for each programme. Please also provide distinct responses if the same programme had different implementation procedures during the last five years.

The social security system in Bulgaria covers the nine standard risks as in ILO Convention 102. The Bulgarian pension model consists of three pillars. Since 2000, in addition to the pay-as-you-go scheme, a compulsory supplementary old-age scheme is introduced and covers all compulsory insured persons under the state public insurance, born after 31 December 1959. This scheme is administered by private insurance companies, under the supervision of the authorities through the Financial Supervision Commission. The institutions and the activities of social security are subject to statutory supervision, which is implemented by the three branches of the State power: the Parliament, the Council of Ministers and the Judiciary in cooperation with the representative organizations of workers and employers and other organizations of the public society, e.g. organizations for protection of patients. The National Revenue Agency established in 2005, is responsible for the establishment and control of both taxes and social insurance obligations and their collection. The National Social Insurance Institute established in 1995 organises the membership of the public insurance schemes for cash benefits. The National Health Insurance Fund has operated since 1999 and began contracting health services with providers on July 1, 2000. The Employment Agency (established in 1990) implements proactive measures for the employment of job seekers regardless of their insurance status. The Social Assistance Agency manages activities, related to the provision of sufficient funds, social care and family benefits. In 2005 the Agency for People with Disabilities was established that implements activities for social integration of people with disabilities.

(I) The legal and institutional framework

1. Provide details of the legal framework by which the programme(s) is established:

Legislation in force:

Social Security Code; Health Insurance Act, Social Assistance Act; Act on Employment Promotion; Integration of Persons with Disabilities Act; annual Budget Act of the State Social Security; annual Budget Act of the National Health Insurance Fund; annual State Budget Act, Ordinance on Pensions and Period of Insurance, Ordinance on Work Categorization on Retirement.

Under conditions of formal employment the social insurance rights are accumulated and realized through the payment of social insurance contributions. Under conditions of informal employment (presence in the hidden economy or in the grey/black sector) no contributions are paid and no social insurance rights are realized.

(a) Please indicate the retirement, age/eligibility age for the pension and if it takes into

account the nature of the occupation (e.g. formal or informal employment) of the potential beneficiaries.

The Social Insurance Code is basic legal act which includes the three pillars of the social insurance:

- Basic compulsory social insurance
- Supplementary compulsory social insurance
- Supplementary voluntary social insurance

The two schemes – the pay-as-you-go scheme and the capital scheme are governed by one single Code in accordance with the concept of a three-pillar model of the Bulgarian insurance system.

The Social Insurance Code regulates the social relations concerning public social insurance in cases of general disease, work accident, occupational disease, maternity, unemployment, old age and death and supplementary social insurance, which includes: 1) supplementary compulsory retirement insurance for old age and death, 2) supplementary voluntary retirement insurance for old age, disablement and death, and 3) supplementary voluntary insurance for unemployment and/or vocational qualification.

Types of pensions - Art. 68-93 of Social Insurance Code:

Contributory-Service and Retirement-Age Pensions

The main pension granted under Bulgarian law and having the highest share in the expenditures of the State Social Insurance is the Contributory-Service and Retirement-Age Pension

Social Insurance Code:

Article 68. (1) Entitlement to a contributory-service and retirement-age pension shall be acquired upon attainment of the age of 60 years and 6 months for men and 55 years and 6 months for women, provided that the sum total of the length of contributory service and age is not less than 98 points for men and 88 points for women.

(2) As from the 31st day of December 2000, the age under Paragraph (1) shall be increased by six months for men and women as from the first day of each successive calendar year, until the age of 63 years for men and 60 years for women is reached, and the sum total of the length of contributory service and age shall be increased by 1 point until a sum total of 100 points for men and 90 points for women is reached.

(3) As from the 31st day of December 2004, the sum total of the length of contributory service and age for women under Paragraph (2) shall be increased by 1 point as from the first day of each successive calendar year until a sum total of 94 points is reached.

(4) In case the sum total of the length of contributory service and age is less than the sum total specified in Paragraphs (1) to (3), entitlement to pension shall be acquired with 15 years of contributory service, of which 12 years of actual service, and attainment of an age of 65 years for men and women.

Acquisition of Entitlement to Pension by Servicemen under Republic of Bulgaria Defence and Armed Forces Act and by Civil Servants under Ministry of Interior Act and Implementation of Penal Sanctions and Detention in Custody Act, and by Investigators (Heading amended,

SG No. 64/2002, SG No. 68/2006, effective 1.05.2006, supplemented, SG No. 25/2009, effective 1.06.2009, amended, SG No. 35/2009, effective 12.05.2009)

Article 69. (1) (Amended, SG No. 38/2005, SG No. 35/2009, effective 12.05.2009) Servicemen shall acquire entitlement to pension upon discharge regardless of their age if they have logged 25 years of contributory service, of which two-thirds have actually been served as servicemen under the Republic of Bulgaria Defence and Armed Forces Act.

(2) (Amended, SG No. 64/2000, SG No. 74/2002, SG No. 67/2003, SG No. 38/2005, SG No. 68/2006, effective 1.05.2006, SG No. 64/2007, supplemented, SG No. 25/2009, effective 1.06.2009) The civil servants under the Ministry of Interior Act and under the Implementation of Penal Sanctions and Detention in Custody Act, the civil servants under Article 11 of the Postal Services Act, the civil servants who provide judicial system security under Article 391 of the Judiciary System Act, investigators and junior investigators shall acquire entitlement to pension regardless of age upon discharge after 25 years of contributory service, of which two-thirds have actually been served in such positions at the respective central-government departments.

(3) (New, SG No. 109/2007, amended, SG No. 35/2009, effective 12.05.2009) The civil servants of the State Agency for National Security shall acquire the right to retirement pension upon dismissal, irrespective of their age, upon completion of 25 years' length of service with social security deductions fully paid in, of which two-thirds must have been served in accordance with the State Agency for National Security Act, or in military service, or in accordance with the laws as per paragraph 2.

(4) (Supplemented, SG No. 67/2003, amended, SG No. 68/2006, renumbered from Paragraph (3) and supplemented, SG No. 109/2007, amended, SG No. 35/2009, effective 12.05.2009) Persons under Paragraphs (1), (2) and (3) who have served 15 years in positions in flight personnel, paratroopers, submarine crews and diving personnel, shall acquire entitlement to pension upon discharge regardless of their age.

(5) (New, SG No. 102/2006, renumbered from Paragraph 4, SG No. 109/2007, amended SG No. 102/2008) In the event of termination of the legal relationship, employees of the National Civil Protection Service General Directorate of the Ministry of Emergency Situations, performing any of the activities under Article 71 (1), items 3 - 6 of the Disaster Protection Act, shall be entitled to draw a pension, irrespective of their age, if they had accumulated 25 years of contributory service, of which two thirds actually served in the civil protection system or if they had served 15 years in the position of "diver"

Invalidity Pensions (contributory pensions)

Social Insurance Code:

Article 71. Insured persons shall be entitled to an invalidity pension where they have lost their working capacity, in whole or in part, permanently or for an extended period of time.

Determining Invalidity Pension

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

Commencement Date and Duration of Pension

Article 73. (1) (Amended, SG No. 64/2000) The entitlement to invalidity pension shall

arise as from the date of disablement and, in respect of persons blind by birth and those who have become blind before entering employment, as from the date of the application under Article 94 herein.

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

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

Entitlement to Common Disease Invalidity Pension

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

1. persons who have not attained the age of 20 years and persons blind by birth and those who have become blind before entering employment: regardless of the length of contributory service;

2. persons who have not attained the age of 25 years: one year of contributory service;

3. persons who have not attained the age of 30 years: three years of contributory service;

4. (Judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 established inconsistency with the provisions of Article 5 (2) of ILO Conventions No. 37 and 38, judgment promulgated SG No. 55/2000; amended, SG No. 64/2000) persons who have attained the age of 30 years: five years of contributory service;

5. (Judgment No. 5 of the Constitutional Court of the Republic of Bulgaria dated 29.06.2000 established inconsistency with the provisions of Article 5 (2) of ILO Conventions No. 37 and 38, judgment promulgated SG No. 55/2000; repealed, SG No. 64/2000).

(2) (New, SG No. 1/2002) Persons disabled by birth and persons who have become disabled before entering employment shall acquire entitlement to common disease invalidity pension with one year of contributory service.

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

Survivor Pensions (contributory and non-contributory pensions)

Social Insurance Code:

Article 80. (1) Personal pensions may be transformed into survivor pensions with the exception of pensions under Articles 87, 89, 90, 91 and 92 herein.

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

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

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

Determining Survivor Pension

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

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

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

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

(2) (Supplemented, SG No. 64/2000, effective 1.01.2001, amended, SG No. 57/2006) The survivor pension shall be granted as an aggregate amount to all persons entitled to this

pension and shall be divided equally among them. The minimum amount of the survivor pension may not be less than 75 per cent of the minimum amount referred to in Article 70 (7) herein.

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

Eligibility Requirements for Granting and Receipt of Survivor Pension

Article 82. (1) (Amended, SG No. 41/2007, effective 1.01.2008) Children shall be entitled to a survivor pension until attainment of the age of 18 years, and after attainment of the said age, if they pursue their studies, for the period of the studies, but not later than the attainment of the age of 26 years, as well as above the said age if they became disabled before attainment of the age of 18 or 26 years, respectively.

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

(3) (Amended, SG No. 67/2003, effective 1.01.2003) Parents shall be entitled to a survivor pension from the children thereof if they have attained the age under Article 68 (1) and (2) herein.

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

Non-Work-Contingent Pensions (non-contributory)

These pensions have social character and are not related to social insurance payments.

- **Military Invalidity Pension**
- **Civil Invalidity Pension**
- **Social Old-Age Pension** - Persons who have attained the age of 70 years and whose annual income per family member at the date of completing the said age is less than the sum total of the National guaranteed minimum income for the last 12 months, shall be entitled to a social pension.
- **Social Invalidity Pension** - Persons who have completed the age of 16 years and whose working capacity is permanently reduced with more of 71 per cent, shall be entitled to a social invalidity pension.
- **Pension for special services rendered to the State**

The Council of Ministers may, under terms and procedure prescribed by itself, grant pensions in exceptional cases to persons who do not meet some of the requirements of this Code.

(b) Are there any restrictions, including a qualification period for receiving the pensions?

There are no restrictions or qualification period.

(c) Please indicate whether it is a contributory or a non-contributory programme.

See above.

2. In the event that the programme is not established by Law, please provide details of the administrative regulations or other relevant programmatic document available that are at the origin of its implementation

Not applicable under the current legal system.

3. Please describe the institutional framework used to implement the programmes:

Ministry of Labour and Social Policy
Ministry of Health
National Revenues Agency
National Social Security Institute
National Health Insurance Fund
Social Assistance Agency

(a) Please indicate which governmental authorities, structures and mechanisms, including those at the federal, state/provincial, municipal and local level were involved in the design, implementation and monitoring of the programme(s).

Ministry of Labour and Social Policy
Ministry of Health
National Revenues Agency
National Social Security Institute
National Health Insurance Fund
Social Assistance Agency

(b) Were civil society organizations involved in the elaboration of the legal framework, the implementation and monitoring of the programme(s)? If yes, please describe their role.

Through the participation in the Supervisory board of National Social Security Institute of representatives of the nationally represented employers and trade unions, civil society organizations are involved in the development of the legal framework and exercise control over the programs administered by the National Social Security Institute. Civil society organizations participate as well through their representatives in the National Council for Tripartite Cooperation and in the Economic and Social Council when any issues related to Public social insurance and social protection are considered.

(II) Programme costs and coverage

4. Please indicate the number of beneficiaries of the programme (annually)? If available, please provide details on their profile (eg. sex, age, ethnicity, origin...).

Average number of insured persons – 2 871 919.
Average number (projection) of pensioners in 2010- 2 182 729 (actual number 863 541 in 2007; 2 851 226 in 2008).

5. Which geographical areas are covered by the programme in the country (national, regional, local)?

National coverage of the pension and health insurance system and the social assistance system. Initiatives of local authorities civil society organisations might upgrade and supplement measures of the central government.

6. What is the annual budget of the programme(s)? What is the percentage of the GDP does this constitute?

In 2010 revenues expected are BGN 8 375 654 300
Expenditures planned for 2010 are BGN 8 372 863 400

The share of pension expenditures of GDP for 2010 is 11.16 percent. The main macroeconomic parameters that underlie the development of revenue and expenditure drafting for 2010 are:

Gross domestic product – BGN 63,518.4 million
Average monthly insurable earnings - BGN 572.76
Projected annual inflation rate - 2,2 percent.
Minimum wage – BGN 240

7. Please give details and indicate the sources of funding utilised for the program (s) and the main costs involved at die various stages of implementation. In particular, is the programme operated with national, regional, local public resources? Are external resources used for this programme?

Revenues for 2010:

In 2010 revenues expected are BGN 8 375 654 300 (including contributions - BGN 3 523 783 000 (compared to BGN 3 637 694,7 in 2007 - reported) + transfers from the central budget - BGN 4 828 578 700 including transfer to cover shortages of funds – BGN 2 062 278 500

Expenditures for 2010:

Expenditures planned for 2010 are BGN 8 372 863 400 (including pensions - BGN 7 135 011 400, social assistance benefits - BGN 1 085 746 800, costs for maintenance of social security services - BGN 82 696 900, other costs BGN 61 758 300.

8. Please indicate approximately how many potential beneficiaries were not reached by the programme. Have studies been undertaking to assess the reasons for coverage gaps? Please provide details of their profile (eg: sex, age, ethnicity,' origin...,) if available.

We do not have information on this question.

9. What is the average amount of the pensions in relation with the national average income or minimum salary? How is the pension calculated?

Average pension - planned for 2010: BGN 270.60 (BGN 245.12 in 2009)

Calculation method or pension formula

First Pillar:

Calculation basis multiplied by 1.1% for each year of insurance and a proportional amount for each additional month of insurance.

The calculation basis is multiplied by 3% for each year of insurance and a proportional amount for each additional month of insurance in cases where the persons have acquired calendar periods of insurance of 37 years for men and 34 years for women and still continue working after accomplishment of the standard retirement age, without having been granted a pension.

The insurance period is adjusted to reflect whether it was performed in the first, second or third category of labour.

Second Pillar:

The amount of the supplementary lifelong old-age pension shall be determined on the basis of:

- the resources accrued on the individual account;
- the biometric tables;
- the technical interest rate.

The amount of the fixed-period early-retirement occupational pension shall be determined on the basis of:

- the amounts accrued on the individual account;
- the period of receipt;
- the technical interest rate.

(III) Implementation procedures

10. What procedures are utilized in order to pay the beneficiaries?

Social Insurance Code

Article 98. (1) (Amended, SG No. 64/2000) Pensions and supplements thereto shall be granted, modified, updated, suspended, resumed, terminated and re-granted on a directive by the official in charge of retirement insurance at the local division of the National Social Security Institute. Pensions under an international treaty shall be granted, modified, updated, suspended, resumed, terminated and re-granted on a directive by the official in charge of the granting and payment of pensions under international agreements at the National Social Security Institute.

(2) (Amended, SG No. 105/2005) The official under Paragraph (1) shall furthermore issue directives on restitution of mispaid amounts for pension. The amounts due under the directives shall be collected from the pension of the pensioner. In case the pension has been terminated, the amounts shall be collected according to the procedure established by the Tax and Social-Insurance Procedure Code. The said directives shall be appealable according to the procedure established by Article 117 herein.

The pensions may be paid by bank transfer or in the post office of residence of the person.

**11. What procedures are utilized in order to inform beneficiaries about the programme?
Is information made available in more than one language?**

Publications in:

The State Gazette;
National media;
Institutional web-sites.

12. Were other services (such as social work, subsidised services) provided to the beneficiaries in connection to the pension? If yes, please describe them.

Pensioners with low incomes are targeted by annual target programs: energy supplement benefits; communication and transport alleviations, outdoor supporting services.

13. Do beneficiaries of the programme access other public services at special conditions, in particular for health services?

According to Art. 40 of the Health Insurance Act the health insurance contributions for pensioners are paid by the central budget.

(IV) Monitoring mechanisms and complaints procedures

14. Please describe the monitoring procedures utilized in order "to oversee the implementation of the programmes) and the entities responsible for monitoring.

Chapter Seven of the Social Insurance Code regulates all matters relating to the control over the State Public Insurance.

According to Art. 107 of the Social Insurance Code, the control over the observance of the legislative acts on social insurance concerning the activity of the National Social Security Institute shall be exercised by the control authorities of the National Social Security Institute.

Rights of Control Authorities

Article 108. (1) The control authorities of the National Social Security Institute, in the performance of their official duties, shall have the right:

1. (amended, SG No. 1/2002, SG No. 105/2005) to inspect all natural and legal persons in respect of their activity assigned to the National Social Security Institute;
2. (amended, SG No. 1/2002, SG No. 105/2005) to take measures for enforcement of the liability of any persons guilt of violating the statutory instruments on public social insurance and the provisions on the activity assigned to the National Social Security Institute;
3. (amended, SG No. 1/2002, SG No. 105/2006) to issue mandatory prescriptions for compliance with the provisions on public social insurance and the activity assigned to the National Social Security Institute;
4. to require from sole traders and legal persons and the divisions thereof, upon inspectors and audits, to declare their bank accounts in Bulgaria, as well as to submit documents related to their economic activity;
5. to conduct cross-checks and to appoint experts.

(2) (New, SG No. 45/2002, amended, SG No. 105/2006) The control authorities of the National Social Security Institute may carry out controlling and auditing activity jointly with the authorities of the National Revenue Agency under a plan coordinated in advance between the Governor of the National Social Security Institute and the Executive Director of the National Revenue Agency.

(3) (Amended, SG No. 1/2002, renumbered from Paragraph (2), SG No. 45/2002, amended, SG No. 105/2006) Natural and legal persons shall be obligated to present to the control authorities of the National Social Security Institute all documents, information,

reference briefs, declarations, explanations and data mediums requested by the said authorities in connection with the observance of social security legislation in connection with the activity assigned to the National Social Security Institute, as well as to cooperate with the said authorities in the performance of their official duties.

(4) (Renumbered from Paragraph (3), SG No. 45/2002) The control authorities of the National Social Security Institute shall be mandatorily insured against accident for the account of the public social insurance budget.

(5) (Amended, SG No. 1/2002, renumbered from Paragraph (4), SG No. 45/2002, amended, SG No. 105/2005, SG No. 41/2007) The Governor of the National Social Security Institute and the directors of the divisions thereof may issue mandatory prescriptions staying the execution of directives and acts of social insurance contributors and officials which violate social security legislation in connection with the activity assigned to the National Social Security Institute.

(6) (New, SG No. 38/2004) The Governor of the National Social Security Institute shall assign the conduct of an audit within 14 days after receipt of the decision of the National Audit Office on enforcement of liability, enclosing materials of the audit or the audit report under Article 51 (1) of the National Audit Office Act.

(7) (New, SG No. 104/2005, effective 27.12.2005) The control authorities of the National Social Security Institute shall have the right to demand and seize from natural and legal persons the original documents on dissolved social insurance contributors which have no legal successor, on the basis of which contributory service and contributory income are established.

(8) (New, SG No. 104/2005, effective 27.12.2005) The authorities of the Ministry of Interior shall render assistance to the control authorities of the National Social Security Institute upon exercise of the powers under Paragraph (7).

Alerting Function of National Social Security Institute Control Authorities

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

Prohibition of Other Activities

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

(2) (Amended, SG No. 1/2002) National Social Security Institute employees shall be obligated to respect the confidentiality and not use for any purposes other than the immediate performance of the duties in the relevant position, all facts and circumstances regarding the insured persons and the social insurance contributors which came to their knowledge in connection with the performance of their official duties, even after a termination of their contract. Such facts and circumstances may be provided to a judicial authority or to another state body under terms and according to a procedure established by the Governor of the National Social Security Institute in accordance with the effective statutory instruments.

Audit Deficit Deeds

Article 110. (1) The control authorities of the National Social Security Institute shall draw up audit deficit deeds to natural persons and legal persons:

1. (amended, SG No. 67/2003, SG No. 105/2005) for all detriment caused by such persons to public social insurance as a result of miseffected social insurance expenditures and of issued documents making a false statement or of revoked medical expert evaluation acts, etc.;

2. (repealed, SG No. 105/2005);

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

4. (repealed, SG No. 105/2005);

5. (new SG No. 1/2002, amended, SG No. 105/2005, repealed, SG No. 105/2006).

(2) The persons liable under the audit deficit deeds as drawn up may lodge objections within seven days after the service of the said acts. The control authority shall pronounce on the objection by a reasoned conclusion.

(3) (Amended, SG No. 105/2005) For collection of amounts under audit deficit deeds, the official in charge of control over the public social insurance expenditures at the respective division of the National Social Security Institute shall issue directives. These directives shall be subject to voluntary compliance within 14 days after their service.

(4) (Amended, SG No. 112/2004, SG No. 34/2006, SG No. 105/2006) The directives, the deficit deeds and the mandatory prescriptions shall be served personally on the liable persons against signed acknowledgement of service or shall be mailed thereto with an advice of delivery. If the person cannot be reached at the address according to commercial registration, at the permanent address thereof or at the place of work thereof, service shall be effected by posting a notice of the drawing up of the document subject to service at a place at the local division of the National Social Security Institute designated for this purpose, on the National Social Security Institute Internet site, or in the municipality or mayoralty. In such a case, the directives, the deficit deeds and the mandatory prescriptions shall be presumed served upon the lapse of seven days after posting of the notice.

(5) (Supplemented, SG No. 112/2004, amended, SG No. 105/2005) The amounts under the effective directives, which have not been paid voluntarily, shall be collected through:

1. (amended, SG No. 1/2002, SG No. 67/2003, SG No. 105/2005) a distraint of the bank accounts of the debtors and of persons connected therewith for public social insurance receivables;

2. (supplemented, SG No. 67/2003) levy of execution against the movable and immovable things of the debtors and the receivables thereof from third parties;

3. (new, SG No. 1/2002, amended, SG No. 45/2002, SG No. 105/2005) levy of execution against amounts restituted by an authority of the National Revenue Agency on a distrained account held by the debtor;

4. (new, SG No. 112/2004, repealed, SG No. 105/2006).

(6) (Amended, SG No. 1/2002, SG No. 105/2005) The accounts of persons liable to public social insurance shall be distrained by means of a dispatch of a distraint notice by the director of the local division of the National Social Security Institute to the banks, which shall immediately transfer the amounts due to an account of public social insurance. The distraint imposed on the debtor's account with the bank shall be effective in respect of all branches of the said bank. The distraints shall be presumed imposed as from the hour on the respective date when the distraint notice is received at the bank. In case the resources available on the debtor's account are insufficient, the bank shall notify the local division of the National Social Security Institute within seven days of the reasons for which the distraint has not been executed.

(7) (New, SG No. 1/2002, amended, SG No. 67/2003) Any person, who or which pays the debtor any receivables distrained under this Code, shall be liable solidarily with the debtor for the amounts paid, up to the amount of the obligation, together with the interest under Article 113 herein after payment. Where the payment is effected by a legal person or

unincorporated association, the manager or the members of the managing body, or a managing partner, who have authorized the payment, shall be liable together with the debtor. The authorities under Paragraph (3) shall issue directives for collection of the amounts and may impose securing measures as well.

(8) (New, SG No. 64/2000, renumbered from Paragraph (7), SG No. 1/2002) The authority who has imposed the distraint by an order of the bank may authorize that a specified portion of the amounts which have been credited or are credited to an account held by the debtor be left at the temporary disposal of the said debtor for urgent payments in connection with the activity of the said debtor, subject to the condition that the debtor furnishes another collateral security.

(9) (Renumbered from Paragraph (7), SG No. 64/2000, renumbered from Paragraph (8), SG No. 1/2002, supplemented, SG No. 105/2005, amended, SG No. 105/2006) Public social insurance receivables resulting from miseffected social insurance expenditures shall be settled in the following order: principal, interest and costs.. Cession of public social insurance receivables resulting from miseffected social insurance expenditures shall be prohibited.

(10) (Renumbered from Paragraph 8, SG No. 64/2000, renumbered from Paragraph 9, amended, SG No. 1/2002, SG No. 105/2005, SG No. 105/2006) Collection of receivables through enforcement against the movable or immovable things of the debtor and the receivables from third parties shall be effected according to the procedure established by the Tax and Social- Insurance Procedure Code. The claim to the public enforcement agent shall be submitted by the director of the local division of the National Social Security Institute.

(11) (Renumbered from Paragraph (9), SG No. 64/2000, renumbered from Paragraph (10) and amended, SG No. 1/2002, supplemented, SG No. 112/2004, repealed, SG No. 104/2005).

(12) (Renumbered from Paragraph (10), SG No. 64/2000, renumbered from Paragraph (11) and amended, SG No. 1/2002, repealed, SG No. 105/2005).

Pecuniary Penalties for Banks

Article 111. (1) (Amended, SG No. 64/2000, SG No. 1/2002) Upon any withdrawal of money for labour remunerations, including advance payments, the payment documents and declarations on social insurance contributions due in revenue to public social insurance, the National Health Insurance Fund and for supplementary compulsory retirement insurance shall be deposited with the banks.

(2) (Amended, SG No. 64/2000, SG No. 10/2002) Any banks which have allowed withdrawal of money for labour remunerations, including advance payments and cash benefits, without presentation of a declaration under Article 7 (8) herein, shall be liable to a pecuniary penalty equal to the amount of the unremitted social insurance contributions, notwithstanding the administrative penal liability of the blameworthy officials.

(3) (New, SG No. 105/2005) The pecuniary penalties under Paragraph (2) in respect of any banks which have allowed withdrawal of money for labour remunerations, including advance payments, shall be imposed by the territorial director of the competent territorial directorate of the National Revenue Agency or by a revenue authority designated thereby according to the procedure established by the Administrative Violations and Sanctions Act.

(4) (Amended, SG No. 67/2003, renumbered from Paragraph (3) and amended, SG No. 105/2005) The pecuniary penalties under Paragraph (2) in respect of any banks which have allowed withdrawal of money for payment of cash benefits shall be imposed by the territorial director of the competent territorial directorate of the National Revenue Agency or by a revenue authority designated thereby according to the procedure established by the Administrative Violations and Sanctions Act.

Recording Obligations

Article 112. (Amended, SG No. 1/2002, SG No. 105/2005, SG No. 34/2006, repealed, SG No. 105/2006). Interest on Receivables of National Social Security Institute and for Supplementary Compulsory Retirement Insurance (Heading amended, SG No. 112/2004)

Article 113. (1) (Amended, SG No. 67/2003, effective 1.01.2004, redesignated from Article 113, SG No. 53/2004, supplemented, SG No. 112/2004, amended, SG No. 105/2005) The receivables for unremitted public social insurance contributions, for supplementary compulsory retirement insurance and for misaffected social insurance expenditures shall be collected with interest at a rate equal to the base interest rate of the Bulgarian National Bank applicable for the relevant period plus 20 points.

(2) (New, SG No. 53/2004) The receivables under Paragraph (1) from registered agricultural producers and tobacco producers shall be collected with interest at a rate equal to the base interest rate of the Bulgarian National Bank applicable for the relevant period.

Restitution of Misreceived Amounts

Article 114. (1) (Amended, SG No. 67/2003, supplemented, SG No. 105/2006) Any amounts for social insurance payments received in bad faith shall be restituted by the recipients with the interest under Article 113 herein. Any such amounts may be offset against the receivables of the persons from public social insurance by a directive issued by the official who is entrusted with direction of the control over the public social insurance expenditures at the respective local division of the National Social Security Institute.

(2) (Amended, SG No. 64/2000, supplemented, SG No. 1/2002, SG No. 105/2006) Any amounts for social insurance payments received in good faith shall not be subject to restitution by the insured persons, with the exception of the cases under Article 54f herein, as well as upon application of the provisions of international treaties whereto the Republic of Bulgaria is a party.

(3) Disputes over good faith shall be settled according to the procedure established by Chapter Eight herein.

Prescription

Article 115. (1) (Supplemented, SG No. 1/2002, amended, SG No. 105/2005, SG No. 41/2007 supplemented, SG No. 109/2008, effective 1.01.2009) The receivables of the National Social Security Institute for misaffected social insurance payments, mispaid cash benefits and overpaid pensions and the interest thereon shall be extinguished upon the lapse of a five-year prescription period after 1 January in the year following the year to which it relates. All receivables, irrespective of the tolling of prescription, shall be extinguished upon the lapse of a ten-year prescription period after 1 January in the year following the year to which they relate.

(2) Prescription shall be tolled:

1. upon the entry into effect of a directive ascertaining the receivable;
2. (repealed, SG No. 109/2008, effective 1.01.2009);
3. upon initiation of enforced execution actions.

(3) A new prescription period shall begin to run from the tolling of the prescription.

(4) (Supplemented, SG No. 1/2002, amended and supplemented SG No. 67/2003, amended, SG No. 109/2008, effective 1.01.2009) The receivables due from public social insurance may be claimed not later than within three years after 1 January in the year following the year to which they relate. The official who is entrusted with direction of the control over public social insurance at the respective division of the National Social Security Institute shall issue a directive on the claim for restitution of amounts. Any such directive shall be appealable according to the procedure established by Article 117 herein.

Rescheduling of Obligations

Article 116. (Amended, SG No. 1/2002) (1) (Amended, SG No. 105/2005) A rescheduling according to an approved repayment schedule of the payment of amounts due in respect of the receivables ascertained and collected by the National Social Security Institute may be allowed at the request of debtors to public social insurance.

(2) Rescheduling shall be allowed where it is established that the cash at hand available to the debtor is insufficient to cover the obligations thereof to the public social insurance funds; however, after assessment of the activity of the said debtor, it can be reasonably presumed that such difficulties are temporary and in case of rescheduling of the obligations the debtor will be able to settle the obligations thereof and to pay the current obligations thereof to the public social insurance funds and the other public obligations.

(3) (Amended, SG No. 67/2003) The debtor shall owe the interest under Article 113 herein for the period of rescheduling.

(4) (Supplemented, SG No. 42/2003, amended, SG No. 41/2007) Rescheduling shall not be allowed in respect of a merchant subject to a decision on dissolution through liquidation or where against bankruptcy proceedings have been instituted, as well as after the manner of sale under Article 238 of the Tax and Social-Insurance Procedure Code is determined.

(5) The request under Paragraph (1) shall enclose:

1. evidence of financial and economic condition of the debtor and a long-term development programme: applicable to a sole trader, a legal person or an entity equivalent thereto;

2. a declaration on all other public obligations, including the interest thereon, as well as on all obligations to private creditors and the interest thereon;

3. a repayment schedule for rescheduling of obligations;

4. a profit and loss account of the debtor for the preceding accounting financial year;

5. a balance sheet for the preceding accounting financial year and for the last reporting period;

6. a statement of the obligations of the social insurance contributor at the date of the request for rescheduling, which shall include:

(a) amounts due to public social insurance, health insurance and supplementary compulsory retirement insurance funds;

(b) amounts due to own staff;

(c) other public obligations;

(d) other obligations;

7. other documents at the discretion of the rescheduling authority.

(6) The decision on rescheduling shall be issued by:

1. (supplemented, SG No. 53/2004) the director of the local division of the National Social Security Institute: for obligations not exceeding BGN 10,000 for a period of up to one year, and for obligations of registered agricultural producers and tobacco producers for a period of up to two years;

2. (supplemented, SG No. 53/2004) the Governor of the National Social Security Institute: for obligations exceeding BGN 10,000 and not exceeding BGN 100,000 for a period of up to three years, and for obligations of registered agricultural producers and tobacco producers for a period of up to five years;

3. (supplemented, SG No. 53/2004) the Supervisory Board of the National Social Security Institute: for obligations exceeding BGN 100,000 for a period of up to three years, and for obligations of registered agricultural producers and tobacco producers for a period of up to five years;

(7) The authorization shall specify the deadline, the redemption payments and other

conditions, including the consequences of a failure to comply with them.

(8) The prescription of public social insurance receivables shall be tolled for the period of the rescheduling.

(9) A refusal of rescheduling shall be unappealable.

(10) (New, SG No. 53/2004) Any refusal to reschedule or defer obligations of registered agricultural producers and tobacco producers shall be appealable according to the procedure established by the Administrative Procedure Code.

(11) (New, SG No. 67/2003, renumbered from Paragraph (10), SG No. 53/2004, repealed, SG No. 105/2005).

15. Are there any complaints mechanisms or procedures attached to the programme, which are available to beneficiaries? If yes, please describe them.

Chapter Eight of the Social Insurance Code regulates disputes and in particular the procedures for filing and processing appeals, suspension of enforcement of administrative orders, appeal against the decision of the Head of the territorial division of National Social Security Institute, suspension of the court execution, further appeal to the court of cassation, discharging of state fee for cases under this chapter.

Social Insurance Code:

Article 117. (1) Appeals may be lodged with the director of the competent local division of the National Social Security Institute against:

1. (amended, SG No. 105/2006) misdetermination or mispayment of cash benefits under Chapter Four herein or allowances, refusals to issue certificates on contributory service and income by the authorities of the National Social Security Institute and refusals to certify contributory service and income in social insurance cards;

2. directives:

(a) for refusal or misdetermination or mismodification of pensions, supplements and compensations thereto;

(b) (new, SG No. 1/2002) for refusal or misdetermination, mismodification, missuspension and misterrmination of the unemployment benefits;

(c) (renumbered from Littera (b), SG No. 1/2002) for collection of amounts under audit deficit deeds;

(d) (renumbered from Littera (c), SG No. 1/2002) for acknowledgement or non-acknowledgement of the employment nature of an injury;

(e) (renumbered from Littera (d), SG No. 1/2002) for restitution of misreceived public social insurance payments;

(f) (renumbered from Littera (e), SG No. 1/2002, repealed, SG No. 105/2005, new, SG No. 105/2006) for refusal of payment of cash benefits under Chapter Four herein or allowances;

(g) (new, SG No. 105/2006) under Article 114 (1) herein.

(2) (Amended, SG No. 1/2002, SG No. 67/2003, amended, SG No. 105/2005, SG No. 105/2006) The directives under Item 2 (b) to (g) shall be appealable within 14 days, and the directives on pensions shall be appealable within three months after their receipt.

(3) The director of the local division shall pronounce on the appeals or claims by a reasoned decision within one month after receipt of the said appeals or claims. By the decision, the director of the local division may revoke the directives and may decide the appeals or claims on the merits. Any such decision shall be communicated to the parties concerned within seven days after its rendition.

(4) (New, SG No. 64/2000) The directives on pensions granted under international agreements shall be appealable before the Governor of the National Social Security Institute within three months after receipt of the said directives. The decision shall be drawn up within the time limit and according to the procedure established by Paragraph (3).

(5) (Renumbered from Paragraph (4), SG No. 64/2000) The decisions and communications in connection with the consideration of appeals and claims shall be drawn up according to the procedure established by the Administrative Procedure Code.

(6) (Renumbered from Paragraph (5), SG No. 64/2000, repealed, SG No. 45/2002).

16. Have there been instances when any legal action was taken against the program or those responsible for its implementation? If yes, what were the circumstances of the legal action and the basis for the complaint(s)?

Legal actions for infringement of rights are numerous as they follow the entire history (since 1879) of the social insurance and social protection system of Bulgaria. Court decisions are public. Access to texts of decisions is alleviated with the introduction of the Internet.

(V) Existing studies and evaluations of old age pensions

17. Please provide any studies, in particular needs assessments, utilized in order to develop the program (s).

Sources of information, including by asking particular questions: Ministry of Labour and Social Policy: <http://www.mlsp.government.bg/en/docs/index.htm>

Also: the National Social Security Institute: <http://www.nssi.bg/en/index.html>

National Health Insurance Fund: www.nhif.bg

Bulgarian Association of Supplementary Pension Insurance Funds

<http://www.assoc.pension.bg/>

18. Please provide any studies, in particular impact assessments, developed to assess the implementation of the program (s).

<http://www.mlsp.government.bg/en/docs/strategy/index.htm>

<http://www.scribd.com/doc/19521233/World-Bank-Project-on-Social-Inclusion-in-Bulgaria>

(VI) Other available social protection schemes that benefit older persons

The Expert would welcome information pertaining to other social protection schemes that benefit older persons, in particular in-kind benefits such as user fee exemptions and subsidized services. Please provide information about existing schemes guaranteeing that older persons have access to health services and essential drugs, housing support including access to water and sanitation, life-long education, social work and care services.

The philosophy of the social assistance in Bulgaria is based on the principle that each Bulgarian citizen has the right to social protection, when there are health, age, social and other reasons beyond his control and can not meet his basic needs by himself or through his relatives. Social assistance consists in providing benefits and providing services.

1. Social benefits

The right to social assistance is subject to discretion of each individual case. It depends on income, property, marital status, health, employment, age and other circumstances. The main focus of social policy is to protect people with the lowest incomes – old single people, people with disabilities, single parents and children at risk. Under Social Assistance Act monthly, target and one-off payments are provided. For individuals who receive monthly social assistance and energy assistance and are not health insured there are funds for health insurance payments. For individuals who have income and / or personal property, to ensure their participation in private health insurance process there are funds for diagnosis and treatment in hospitals.

2. Social services

Social services are based mainly on social work and their aim is to create better conditions and opportunities for the recipients of these services to participate of full value in social life. Social services are performed in specialized institutions and in the community. Social services in the community are provided in a family environment or close to the family environment. These are personal and social assistant, domestic assistant, personal assistant, day care center, a center for social rehabilitation and integration, protected homes and others. Specialized institutions are a type of boarding homes in which people are separated from their home environment. Social services in specialized institutions are available only when there are no opportunities for social services in the community.