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## Bulgaria: Effects of non-compliance with dismissal regulations



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Native name: Кодекс на труда, Закон за насърчаване на заетостта

English name: Labour code, Employment promotion act

### Article

Labour code: Articles 344-346 (disputing dismissal legality); 359, 360, 362 (labour disputes); 399, 404, 405a, 407, (general labour inspectorate authorisation); 412a; 413; 415; 415a, b, c, d (administrative penalties for labour legislation violations); Employment promotion act: Chapter five

## Description

The labour code, in paragraph 1 item 9 of its additional provisions, gives a definition and thresholds regarding collective dissmisals. A collective redundancy refers to:

- at least 10 dismissals within 30 days or at least 20 dismissals within 90 days in companies with 20-99 employees.
- In companies employing between 100 and 299 employees, a collective redundancy refers to 10% of the workforce (within 30 days);
- in those with 300 or more employees, the figure is 30 dismissals (within 30 days).

Employers can justify redundancies on the grounds of a reduction in business activity or plant or branch closure.

The labour code provides for consultations with trade unions or worker representatives at least 45 days before collective dismissals. Worker representatives can lodge a complaint in case of collective dismissals with the general labour inspectorate of the Ministry of Labour and Social Policy. Employees are also entitled to appeal dismissals as unlawful at court. Legal proceedings for labour disputes are free of charge for employees.

Section IV of the labour code includes provisions for disputing dismissal lawfulness.

The procedure on collective dismissals is regulated in chapter five of the employment promotion act. This procedure requires the employer to notify employees, trade unions (or worker representatives) in the company and the regional labour office 30 days before the date of dismissals. This notice must include the reasons, the number of employees to be dismissed, their jobs and the period when dismissals will take place.

The fines that the general labour inspectorate may impose on employers depend on the gravity of violations and vary from BGN 1,500 to BGN 30,000 ( $\epsilon$ 765– $\epsilon$ 15,306).

Cases for which the execution of dismissals requires a preliminary approval by the general labour inspectorate or by the trade union, and such an approval has not been requested or has not been given prior to dismissal, the court revokes the dismissal as unlawful on that ground solely, without further examination of the labour dispute.

The procedure and fines are in force only in case of collective dismissals.

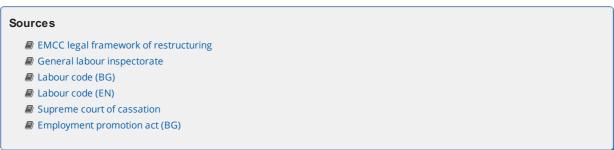
## Comments

The effects, procedure, employer's and employee's rights in case of non-compliance with collective dismissal regulations are fixed in multiple sections of the labour code. The central control function is devoted to the general labour inspectorate.

The generally accepted case law of the supreme court of cassation stipulates that if the employer had not served this notice or actually had, but started dismissals before the expiry of 30 days from serving such notices, the collective dismissals are deemed illegal. In such cases the court rules the dismissals as null and void and restores employees' jobs.

The amendments of the labour code were discussed by the national tripartite cooperation council where the social partners (trade unions and employer associations) approved the proposed amendments regarding collective dismissals.

## Cost covered by Employer Involved actors other than national government Public employment service Trade union Other Involvement others General labour inspectorate; court Thresholds Company size by number of employees: 20 Number of affected employees: 10



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 $\hbox{E-Mail: information@eurofound.europa.eu}\\$ 

Press: media@eurofound.europa.eu



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