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Factsheet for case BG-2020-11/494

COVID - 19: Income support for workers

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|--------------|--|
| Country | Bulgaria, applies nationwide |
| Time period | Open ended, started on 13 March 2020 |
| Type | Legislation or other statutory regulation |
| Category | Income support to workers and those laid off – Income support for people in employment (e.g. short-time work) |
| Case created | 12 April 2020 (updated 24 April 2020) |

Background Information

Key tax and spending measures have been implemented under the revised 2020 budget, allowing for a budget deficit of BGN 3.5 billion (€1,75 billion) and increased ceiling on newly incurred public debt of BGN 10 billion (approx. €5 billion) for 2020.

The measure included coverage of 60% of the wages of the employees in affected sectors that would have been otherwise laid off, including the social security contributions due by the employers (over 1.2 percent of 2019 GDP).

Content of measure

The Emergency and Measures Act adopted measures to compensate for the businesses affected by the epidemic. The following types of activities remain outside the scope of the measures - Classes A - Agriculture, K - Financial and Insurance Activities, O - Government, P - Education, Q - Human Health and Social Work, T - Household Activities as Employers, and U - activities of extraterritorial organizations and services.

All other companies outside the above may apply for compensation. Those whose activities are directly prohibited by restrictive measures do not need to prove a reduction in their income (it is presumed). Businesses that do not have a direct prohibition of activity may apply if their earnings in the month preceding the application have decreased by 20% compared to the same month in 2019. In addition, the employer

cannot dismiss employees for whom he or she receives compensation, after the end of the state of emergency for an additional period equal to that for which he was compensated. Employers will be able to establish part-time work for the whole enterprise or its unit and at the same time receive compensation in proportion to the reduced working hours.

Use of measure

More than 80% of employees can benefit from the measures and most of the employers in the country. So far, (mid April 2020) over 800 companies have benefited from the measure.

Actors, target groups and funding

| Actors | Target groups | Funding |
|---|--|--|
| National government Trade unions Employers' organisations | employees seasonal workers All companies | Employers organisation European Funds National funds |

Social partners

| | |
|-------------------------|---|
| Role of social partners | Negotiated |
| Form of involvement | Bi-or tripartite social dialogue bodies |

The social partners (trade unions and employers' organisations) were involved in the decision-making process on what measures to implement. The government is in constant consultation with them, with further measures to be introduced in the coming weeks.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 06 April 2020: ЗИД на ЗДБРБ за 2020 г., приет от НС на 06.04.2020 г. (parliament.bg)
- 08 April 2020: 873 молби са подадени по мярката 60/40 (btvnovinite.bg)
- 12 April 2020: International Monetary Fund (www.imf.org)