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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 state budget, allowing for a budget deficit of BGN 3.5 billion (€1,75 billion) and increased ceiling on newly incurred public debt of up to BGN 10 billion (approx. €5 billion) for 2020.

By doing so, the Bulgarian government is able to implement a measure that will cover 60% of the wages of employees in affected sectors that would otherwise have been laid off, including the social security contributions that are to be paid 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 sector-specific (only private sector).

Economic area	Sector (NACE level 2)
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This case is occupation-specific.

Occupation (ISCO level 2)

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)