

# ACCRUED-TO-DATE PENSION ENTITLEMENTS IN SOCIAL INSURANCE: FACT SHEET

*[Bulgaria]*

*[23/08/2023]*

## Table of Contents

1. Table 29 column A: Defined contribution schemes (funded, non-general government).....	2
2. Table 29 column B: Defined benefit schemes and other non-defined contribution schemes (funded, non-general government) .....	3
3. Table 29 column D: Defined contribution schemes (funded, general government) .....	3
4. Table 29 column E: Defined benefit schemes (funded, for general government employees, classified in financial corporations) .....	3
5. Table 29 column F: Defined benefit schemes (funded, for general government employees, classified in general government) .....	3
6. Table 29 column G: Defined benefit schemes (unfunded, for general government employees, classified in general government) .....	3
7. Table 29 column H: Social security pension schemes (unfunded).....	4
8. Table 29 column K: Entitlements of non-resident households.....	14
9. Links to (national) publications providing further information on the pension schemes .....	14

## 1. Table 29 column A: Defined contribution schemes (funded, non-general government)

1. General description of the scheme and the calculation model	
<i>a. Coverage of the scheme</i>	
<p><b>Universal Pension Funds (UPF)</b> - The universal mandatory pension funds represent additional capital scheme covering employees and self-employed persons born after 31.12.1959 and entitles obtaining additional lifetime pension for old age, separately and independently from the pension of Social Security Scheme (SSS).</p> <p><b>Professional Pension Funds (PPF)</b> - The Professional (Occupational) pension funds (PPF) are also mandatory, additional fully-funded, defined contribution schemes with individual capitalization accounts that allow people to obtain pensions for early retirement (after 31.12.2014) for individuals working under severe conditions (I and II category of labor) until they become entitled to retirement benefits under the SSS and UPF.</p> <p><b>Supplementary Voluntary Pension Insurance (SVPI)</b> – SVPIs are fully-funded, defined contribution schemes with individual capitalization accounts. All persons aged 16 years can be insured in voluntary pension funds. There are two types of SVPI in Bulgaria: individual SVPI which can be both employment and non-employment related and SVPI under occupational schemes which are only employment related. In 2015 the share of non-employment related individual SVPI contracts is estimated to be minor, thus it is not separated and included in column A.</p>	
<i>b. Institutional set-up</i>	
<i>Data sources/suppliers</i>	<p><b>Financial Supervision Commission (FSC)</b> - The Financial Supervision Commission is a specialized government body for regulation and control over different segments of the financial system – capital market, insurance market, health insurance market and pension insurance market. The primary mission of the institution is to assist through legal, administrative and informational means for the maintenance of stability and transparency on the non-banking financial sector, and to ensure the protection of the consumers (investors and insured persons) of financial services and products.</p> <p><b>National Revenue Agency (NRA)</b> - The National Revenue Agency administers the collection of taxes, social security contributions and other public receivables in accordance with the legislation of the Republic of Bulgaria, in order to provide the funding of public expenditure.</p> <p><b>Ministry of Finance (MF)</b></p> <p>The pension funds (universal, professional and voluntary) strictly comply with the accounting rules of the International Accounting Standards in the reporting of their activities. FSC collects monthly and annual data from all types of pension funds and has detailed information from individual accounts of insured persons for the following positions:</p> <ul style="list-style-type: none"> <li>• <b>Net asset value at beginning of period, incl.:</b> <ul style="list-style-type: none"> <li>- In individual accounts;</li> <li>- The reserve account to guarantee minimum return.</li> </ul> </li> <li>• <b>Increase in the net asset value due to:</b> <ul style="list-style-type: none"> <li>- Contributions;</li> <li>- Transferred funds from other universal pension funds;</li> <li>- Received interest from NSSI;</li> <li>- Transferred funds from professional pension funds;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Funds transferred from the reserve of the pension insurance companies to cover the gap to the minimum rate of return;</li> <li>- Positive income from investing the funds of the pension fund;</li> <li>- Other increases.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Reduction in the net asset value due to:</b> <ul style="list-style-type: none"> <li>- Payment of pension benefits;</li> <li>- Lump sum payments to the insured persons;</li> <li>- Payments to the heirs of insured persons;</li> <li>- Payments to the heirs of pensioners;</li> <li>- Funds of insured persons who chosen to pass in other pension funds;</li> <li>- Transferred funds to the pension reserve;</li> <li>- Transferred funds to NSSI;</li> <li>- Transferred funds to the state budget;</li> <li>- Negative income from investing the funds of the pension fund;</li> <li>- Accrued service charges and deductions for pension insurance company;</li> <li>- Other reductions.</li> </ul> </li> <li>• <b>Guarantee reserves of the fund.</b> <p>Additional information is obtained from the National Revenue Agency concerning the amount of contributions in universal pension fund and from the Ministry of Finance concerning the contributions of civil servants paid by the government.</p> </li> </ul>
<i>Which institution is running/managing the calculations?</i>	National Statistical Institute
<b>2. Any other comments</b>	

## 2. Table 29 column B: Defined benefit schemes and other non-defined contribution schemes (funded, non-general government)

This type of occupational pension scheme does not exist in Bulgaria.

## 3. Table 29 column D: Defined contribution schemes (funded, general government)

This type of occupational pension scheme does not exist in Bulgaria.

## 4. Table 29 column E: Defined benefit schemes (funded, for general government employees, classified in financial corporations)

This type of occupational pension scheme does not exist in Bulgaria.

## 5. Table 29 column F: Defined benefit schemes (funded, for general government employees, classified in general government)

This type of occupational pension scheme does not exist in Bulgaria.

## 6. Table 29 column G: Defined benefit schemes (unfunded, for general government employees, classified in general government)

This type of occupational pension scheme does not exist in Bulgaria.

## 7. Table 29 column H: Social security pension schemes (unfunded)

1. General description of the scheme and the calculation model	
<i>a. Coverage of the scheme</i>	
<p><b>Social Security Pension Scheme</b> - The social security pension scheme of Bulgaria (Pillar I) is administered by the National Social Security Institute which has available primary information for insured persons and pensioners, which is necessary for the evaluation of the pension entitlements of current and future retirees. The first pillar of the pension system functions on a pay-as-you-go principle and covers the economically active population of the country, performing its functions through the State Social Security (SSS) - fund "Pensions". The financing of fund "Pensions" is provided solely by employers' and personal contributions and self-insured persons. The pension benefits granted by the first pillar are as follows: old age; disability due to sickness; disability due to accident and occupational disease and survivor pensions.</p>	
<i>b. Institutional set-up</i>	
<i>Data sources/ suppliers</i>	<p><b>National Social Security Institute (NSSI)</b> - The National Social Security Institute is the public institution that manages the state social security scheme in Bulgaria. NSSI administrates the compulsory social security for sickness, maternity, unemployment, accident at work and professional diseases, disability, old age and death. It is the competent institution of Bulgaria in coordination with the social security for EU and the implementation of bilateral agreements in the fields of sickness and maternity benefits, death grants, unemployment benefits and pensions for disability, old age and survivors.</p>
<i>Which institution is running/managing the calculations?</i>	National Statistical Institute
<i>c. Major formulas: Benefit formula; Indexation of benefits</i>	
<i>Benefit formula</i>	<p>From the Social Insurance Code of Bulgaria:</p> <p>(Amended, SG No. 64/2000, effective 1.01.2001, supplemented, SG No. 1/2002, amended, SG No. 67/2003, effective 1.01.2004, amended and supplemented, SG No. 57/2006, supplemented, SG No. 105/2006, amended and supplemented, SG No. 113/2007, amended, SG No. 109/2008, effective 1.04.2009, amended and supplemented, SG No. 100/2010, effective 1.01.2011, supplemented, SG No. 100/2011, effective 1.01.2012, amended and supplemented, SG No. 99/2012, effective 1.01.2013, SG No. 61/2015, effective 1.01.2016, SG No. 98/2016, effective 1.01.2017, amended, SG No. 99/2017, effective 1.01.2018) (1) (Amended, SG No. 102/2018, effective 1.01.2019, SG No. 77/2021, effective 25.12.2021) <b>The amount of pension for contributory service and retirement age shall be determined by multiplying the income on the basis of which the pension is calculated by a percentage as follows: A) of 1,35 for each year of contributory service without transformation and the relevant proportionate part of this percentage for the months of contributory service without transformation; B) of 1,2 for each year of contributory service and the relevant proportionate part of this percentage for the months of contributory service - for the contributory service which is the difference between the common contributory service and the service under Item 1.</b></p> <p>(2) For persons who have acquired an entitlement to pension under Article 68, Paragraphs (1) and (2), and continue working after acquiring the said</p>

entitlement without having been granted a personal pension, the percentage for each year of contributory service past that date shall be 3, and as from 1 January 2012 – 4, and the relevant proportionate part of the said percentages for the months of contributory service. The percentage of each year of contributory service after reaching the age referred to in Article 68, Paragraphs (1) and (2) shall be applicable to the actual calendar contributory service, without conversion, acquired after 31 December 2006. (3) The income on the basis of which the pension is calculated shall be determined by multiplying the national average monthly contributory income for 12 calendar months prior to the month of granting of the pension by the individual coefficient of the person.

(4) For pensions granted with a starting date before 1 January 2019, the individual coefficient shall be calculated on the basis of the contributory income of the person for three successive years out of the last 15 years of contributory service until 1 January 1997, at the election of the person, and on the basis of the person's contributory income for the period after that date until the date of granting the pension. In the cases where the contributory income of the person until 1 January 1997 is for a period of less than three years, the individual coefficient shall be calculated based on this income. When the individual coefficient for a self-insured person is determined, the income on which social security contributions have been paid shall be taken into account.

(5) For the purpose of calculating the individual coefficient under Paragraph (4), the following shall be determined:

1. the ratio between the average monthly contributory income of the person for the period until 31 December 1996, including the national average monthly wage for the same period as announced by the National Social Security Institute;

2. the ratio between the average monthly contributory income of the person for the period after the 31st day of December 1996 and the national average monthly contributory income for the same period.

(6) The individual coefficient under Paragraph (4) shall be determined by multiplying each of the ratios under Paragraph (5) by the respective number of months for which the said ratio has been established, and by dividing the sum total of the products so arrived by the total number of months included in the two periods. Where the persons have no contributory income after 31 December 1996, the individual coefficient shall be equal to the ratio under Item 1 of Paragraph (5), and where the contributory income falls entirely after that date, the individual coefficient shall be equal to the ratio under Item 2 of Paragraph (5).

(7) The ratio referred to in Item 2 of Paragraph (5) may not exceed the ratio between the maximum contributory income set out in the Public Social Insurance Budget Act and the average monthly contributory income for the country for the same period.

(8) (Amended, SG No. 102/2018, effective 1.01.2019) For pensions granted with a starting date after 31 December 2018, the individual coefficient shall be calculated based on the person's contributory income for his/her contributory service after 31 December 1999 until the date of granting the pension, but for a period of no less than 36 months. Where the person's contributory income after 31 December 1999 is for a period of less than 36

months, the last contributory income of said person before 1 January 2000 shall also be taken into account with respect of the shortfall in accordance with a procedure established with the ordinance referred to in Article 106. Where the person has no contributory income before 1 January 2000 or his/her income before that date is for a period shorter than the one required to reach the 36 months, the individual coefficient shall be calculated based on his/her available income regardless of the period to which said income relates. Where the person has no contributory income after 31 December 1999, the individual coefficient shall be calculated on the basis of his/her last contributory income for the 36 months preceding that date or on the basis of the person's available income where the latter relates to a shorter period.

(9) (Amended and supplemented, SG No. 102/2018, effective 1.01.2019) The individual coefficient under Paragraph (8) shall be calculated by dividing the sum total of the monthly ratios between the contributory income of the person for the month and the national average contributory income for the same month by the sum total of the ratios between the number of working days to which the contributory income of the person for the respective month refers and the number of working days for that month – for all months participating in the calculation of the individual coefficient. The hours worked by the person shall be calculated in proportion to the statutory working hours. The individual coefficient may not exceed the arithmetic mean of the monthly ratios between the maximum monthly amount of the contributory income determined by the public social insurance budget act for the year concerned and the average monthly contributory income for the country for the months after 31 December 1999 included in the calculation of the individual coefficient.

(10) The contributory income on the basis of which the individual coefficient of a person born after 31 December 1959 is calculated shall be reduced as follows:

1. when the individual coefficient under Paragraph (4) is calculated, the contributory income for the months in which the person was insured in a universal pension fund shall be reduced by the income determined on the basis of a coefficient, which is the weighted average ratio for these months between the amounts of the social insurance contributions to the universal pension fund and to the Pensions Fund for Work Category III of the persons born prior to 1 January 1960, according to a procedure established by an instrument of the Council of Ministers;
2. (amended, SG No. 102/2018, effective 1.01.2019) when the individual coefficient under Paragraph (8) is calculated, the contributory income for each month in which the person was insured in a universal pension fund shall be reduced by the income determined on the basis of the ratio for the respective month between the amount of the social insurance contribution to the universal pension fund and the amount of the contribution to the Pensions Fund for Work Category III of the persons born prior to 1 January 1960;
3. (new, SG No. 103/2020, effective 1.09.2021) the amount of the contribution to the Pensions Fund under subparagraphs 1 and 2 shall also take into account transfers from the state budget amounting to 12 percent of the sum of the contributory income of all insured persons for period from 2009 to and including 2015.

- (11) **The contributory income on the basis of which the individual coefficient of a person born after 31 December 1959 is calculated shall not be reduced where at the date of the order for granting the pension the person has changed his/her insurance under Article 4b. Where at the date of the order for granting the pension the person has resumed his/her insurance in a universal pension fund in accordance with the procedure established by Article 124a, the contributory income shall not be reduced for the months in which the person was not insured in a universal pension fund and the funds accrued on his/her individual account were transferred into the State Fund for Guaranteeing the Stability of the State Pension System. The contributory income of the person shall not be reduced after the transfer of his/her funds under Article 129 (15) to the Pensions Fund or the Pensions Fund for the persons under Article 69, as the case may be.**
- (12) **The minimum amount of the contributory-service and retirement-age pension under Article 68 (1) herein shall be determined by the Public Social Insurance Budget Act.**
- (13) **The amount of the contributory-service and retirement-age pension under Article 68 (3) herein may not be less than 85 per cent of the minimum amount referred to in Paragraph (12).**
- (14) **The amount of a person's pension under Article 68a shall be reduced by 0.4 per cent for each month short of the age required under Article 68 (1).**
- (15) **The amount of the contributory-service and retirement-age pension under Articles 68a, 69, 69a, 69b and 69c herein may not be less than the minimum amount referred to in Paragraph (12).**
- (16) **(Supplemented, SG No. 102/2018, effective 1.01.2019) Upon determination of a pension under an international treaty whereto the Republic of Bulgaria is a party or under the EU regulations on the coordination of social security systems, the contributory income for contributory service acquired under the Bulgarian legislation shall be taken into consideration.**
- (17) **(Amended, SG No. 102/2018, effective 1.01.2019, supplemented, SG No. 99/2019, effective 1.01.2020) Persons may request recalculation of their pension based on their contributory income during a different three-year period preceding 1 January 1997 within 12 months after the entry into force of the order that has determined its amount under the procedure of this Code. The recalculation shall be made as from the date on which the application form was filed.**
- (18) **(New, SG No. 102/2018, effective 1.01.2019) In the cases where pensions are amended, recalculated, resumed or re-granted, the individual coefficient shall be calculated in accordance with the statutory provisions in accordance to which it has been determined.**
- (19) **(New, SG No. 103/2020, effective 1.09.2021) At the time of determining the amount of the pension in connection with the calculation of the individual coefficient, account shall also be taken of the number of months during which the person has been insured in a universal pension fund in relation to the total length of said person's contributory service, in accordance with the procedure and in the manner set out in the ordinance referred to in Article 106.**

Income on Basis of which Pension Is Calculated

(New, SG No. 1/2002) (1) (Supplemented, SG No. 99/2009, effective 1.01.2010, amended, SG No. 107/2014, effective 1.01.2015, SG No. 54/2015, effective 17.07.2015, supplemented, SG No. 102/2018, effective 1.01.2019) **The average monthly contributory income, respectively the contributory income for the month, shall be determined on the basis of the remuneration or the contributory income on which social insurance contributions have been remitted or are due for the persons under Article 4(1), under Items 5 and 6 of Article 4(3) and (10) herein, and for self-insured persons as well as persons under Article 4a(1) on the basis of the income on which social insurance contributions have been remitted.**

**(2) (Supplemented, SG No. 102/2018, effective 1.01.2019) Upon determination of the average monthly contributory income, respectively of the contributory income for the month, the income during the following periods shall be ignored:**

- 1. of conscription or alternative service;**
- 2. of a child-care leave during which a benefit has been received;**
- 3. of the time counting as contributory service of non-working mothers;**
- 4. (amended, SG No. 100/2010, effective 1.01.2011) the period of study of persons with higher or college education, or periods insufficient to acquire the entitlement to the pension under Article 68(1) for which the persons concerned have paid insurance contributions entirely at their expense;**
- 5. (amended, SG No. 17/2018) after the 1st day of January 1996, the period during which a parent (adoptive parent) of a child with a permanent disability has taken permanent care after the said child until attainment of the age of 16 years, by reason of which such person has not worked under an employment or civil-service relationship and has not been insured;**
- 6. (amended, SG No. 41/2009, effective 1.07.2009, SG No. 17/2018, SG No. 102/2018, effective 1.01.2019) the period after 1 January 2001 during which a parent (an adopter) or a spouse of a person with a disability for whom attendance has been approved has taken care of the person with a disability, as well as the time after 15 August 2015 during which one of the parents of the mother or father of the person with a disability has taken care of him/her, and said carers have not been insured or have not received a pension and after 1 January 2018 — a personal pension;**
- 7. the period during which the persons have received an unemployment benefit upon the granting of pensions with a commencement date after the 31st day of December 1999;**
- 8. (new, SG No. 100/2010, effective 1.01.2011) the period of an unpaid leave which is recognized as contributory service, or the period of lawful strike;**
- 9. (new, SG No. 100/2010, effective 1.01.2011, amended, SG No. 58/2012, effective 1.08.2012, SG No. 99/2012, effective 1.01.2013) the period during which the persons concerned have been insured on the grounds of Article 4, Paragraphs (5), (7) and (9).**

**(3) Where the period used for determination of the individual coefficient includes a time of statutory leave or legitimate strike, the following shall be taken into consideration:**

- 1. for the period of paid leave paid by the employer: the remuneration received for the said leave on which social insurance contributions have been remitted;**
- 2. (amended, SG No. 1/2014, effective 1.01.2014, SG No. 30/2018, effective 1.07.2018) for the period of leave due to temporary disability, pregnancy and**



**child-birth or upon adoption of a child up to 5 years of age, during which a cash benefit has been received from public social insurance: the income on the basis of which the benefit was calculated;**

3. (amended, SG No. 99/2009, effective 1.01.2010, repealed, SG No. 100/2010, effective 1.01.2011).

(4) (Amended, SG No. 105/2006, SG No. 107/2014, effective 1.01.2015) **Upon determination of the contributory income for the period until the 31st day of December 2006 for the persons under Article 4 (1) herein, any remunerations that are charged and unpaid shall be ignored.**

(5) (New, SG No. 102/2018, effective 1.01.2019) **When a pension is determined in connection with the implementation of an international treaty to which the Republic of Bulgaria is a party or of the EU regulations on the coordination of social security systems and where, under Bulgarian law, only contributory service is recognized which is not included in determining the contributory income in accordance with Paragraph (2), the minimum monthly salary established for the country for the period concerned shall be taken into account for the calculation of the individual coefficient referred to in Article 70.**

Amount of Common Disease Invalidity Pension

Article 75. (1) (Amended, SG No. 64/2000, SG No. 104/2005, effective 27.12.2005, SG No. 23/2009, effective 1.04.2009, supplemented, SG No. 61/2015, effective 1.01.2016, amended, SG No. 102/2018, effective 1.01.2019, SG No. 77/2021, effective 25.12.2021) **The amount of the general sickness disability pension shall be determined by multiplying the income on the basis of which the pension is calculated by a percentage of 1.35 for each year of contributory service and the relevant proportionate part of the percentage for the months of contributory service.**

(2) (Amended, SG No. 104/2005, effective 27.12.2005, supplemented, SG No. 100/2010, effective 1.01.2011, SG No. 107/2014, effective 1.01.2015)

**When the insured person has not attained the age under Article 68 (1) on the date of disablement, the difference between the age of the person, who shall, not be younger than 16, and the age under Article 68 (1) shall count as contributory service. Upon determination of the pension, the time counting as contributory service and the relevant proportionate part of the percentage for the months shall be multiplied by the following coefficient:**

1. (amended, SG No. 41/2009, effective 1.07.2009) **for persons with permanently reduced working capacity/type and degree of disability exceeding 90 per cent: 0.9;**

2. (amended, SG No. 41/2009, effective 1.07.2009) **for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 0.7;**

3. (amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009) **for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 0.5.**

(3) (Repealed, SG No. 64/2000).

(4) **The amount of the common disease invalidity pension may not be less than:**

1. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability exceeding 90 per cent: 115 per cent of the minimum amount referred to in Article 70 (12) herein;**

2. (amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 105 per cent of the minimum amount referred to in Article 70 (12) herein;**

3. (amended, SG No. 1/2002, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: 85 per cent of the minimum amount referred to in Article 70 (12) herein.**

(5) (New, SG No. 67/2003) **The pensions of persons under Item 1 of Article 74 (1) herein, whose contributory service does not exceed one year, shall be determined at the minimum amounts under Paragraph 4. After completion of one year of contributory service, any such pensions shall be determined according to the procedure established by Articles 75 to 77 herein.**

(6) (New, SG No. 99/2019, effective 1.01.2020) **Persons may request recalculation of their pension based on their contributory income during a different three-year period prior to 1 January 1997 in accordance with Article 70(17).**

Income on Basis of which Common Disease Invalidation Pension Amount Is Calculated

Article 76. (Amended, SG No. 67/2003, effective 1.01.2004, SG No. 99/2017, effective 1.01.2018) **The income on the basis of which the amount of the common disease invalidity pension is calculated, shall be determined by multiplying the national average monthly contributory income under Article 70 (3) herein by the individual coefficient of the person.**

Individual Coefficient

Article 77. (Supplemented, SG No. 64/2000, amended, SG No. 1/2002, SG No. 100/2010, effective 1.01.2011, SG No. 98/2015, effective 15.08.2015, SG No. 99/2017, effective 1.01.2018, SG No. 103/2020, effective 1.09.2021) **The individual coefficient for determination of the non-occupational disease disability pensions granted with a starting date prior to 1 January 2019 shall be calculated according to the procedure established by Article 70, Paragraphs (4) – (7), Paragraph (10), Item 1 and 3, Paragraphs (11) and (19), and of pensions granted with a starting date after 31 December 2018, in accordance with the procedure established by Article 70, Paragraphs (8), (9), Paragraph (10), Items 2 and 3, and Paragraphs (11) and (19).**

Amount of Employment-Injury and Occupational-Disease Invalidation Pension

Article 79. (1) (Amended, SG No. 67/2003, effective 1.01.2004, SG No. 60/2011, effective 5.08.2011, SG No. 98/2015, effective 15.08.2015, SG No. 99/2017, effective 1.01.2018, SG No. 103/2020, effective 1.09.2021) **The amount of the disability pension due to accident at work or occupational disease shall be determined by multiplying the national average monthly contributory income under Article 70 (3) herein by the individual coefficient calculated according to the procedure established by Article 70, Paragraphs (4) – (7), Paragraph (10), Items 1 and 3, Paragraphs (11) and (19) – for the pensions granted with a starting date until 1 January 2019, and for the pensions granted with a starting date after 31 December 2018 – according to the procedure established by Article 70, Paragraphs (8), (9), Paragraph (10), Items 2 and 3 and Paragraphs (11) and (19), and by the following coefficients:**

1. (amended, SG No. 41/2009, effective 1.07.2009, SG No. 102/2018, effective 1.01.2019, SG No. 77/2021, effective 25.12.2021) **for persons with permanently reduced working capacity/type and degree of disability between 90 per cent: 0.5056;**

2. ((amended, SG No. 41/2009, effective 1.07.2009, SG No. 102/2018, effective 1.01.2019, SG No. 77/2021, effective 25.12.2021) **for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 0.4424;**

3. (amended, SG No. 1/2002, SG No. 41/2009, effective 1.07.2009, SG No. 102/2018, effective 1.01.2019, SG No. 77/2021, effective 25.12.2021) **for persons with permanently reduced working capacity/type and degree of disability between 50 and 70,99 per cent: 0.3792.**

(2) (New, SG No. 61/2015, effective 1.01.2016, supplemented, SG No. 99/2017, effective 1.01.2018, repealed, SG No. 102/2018, effective 1.01.2019)

(3) (Renumbered from Paragraph 2, SG No. 61/2015, effective 1.01.2016) **The amount of the employment-injury or occupational-disease invalidity pension may not be less than:**

1. ((amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability over 90 per cent: 125 per cent of the minimum amount referred to in Article 70 (12) herein;**

2. ((amended, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability between 71 and 90 per cent: 115 per cent of the minimum amount referred to in Article 70 (12) herein;**

3. ((amended, SG No. 64/2000, SG No. 57/2006, SG No. 41/2009, effective 1.07.2009, SG No. 61/2015, effective 1.01.2016, SG No. 99/2017, effective 1.01.2018) **for persons with permanently reduced working capacity/type and degree of disability between 50 and 70.99 per cent: the minimum amount referred to in Article 70 (12) herein.**

(4) (New, SG No. 64/2000, renumbered from Paragraph 3, SG No. 61/2015, effective 1.01.2016) **The amount of the employment-injury and occupational-disease invalidity pension may not be less than the amount calculated for a common disease invalidity pension.**

(5) (New, SG No. 99/2019, effective 1.01.2020) **Persons may request recalculation of their pension based on their contributory income during a**

	<b>different three-year period prior to 1 January 1997 in accordance with Article 70(17).</b>
<i>Indexation of benefits</i>	<p>From the Social Insurance Code of Bulgaria:</p> <p>Article 100. (Amended, SG No. 41/2001, SG No. 112/2004, SG No. 104/2005, effective 1.01.2007, SG No. 105/2006, SG No. 100/2011, effective 1.01.2012, SG No. 106/2013, effective 1.01.2014)</p> <p>(1) (Previous text of Article 100, SG No. 107/2014, effective 1.01.2015) <b>The pensions granted by 31 December of the previous year shall be updated from 1 July each year by virtue of a resolution of the Supervisory Board of the National Social Security Institute by a percentage equal to the sum of 50 percent of the increase in the insurance income and 50 percent of the increase in the consumer price index over the previous calendar year.</b></p> <p>(2) (New, SG No. 107/2014, effective 1.01.2015)) <b>In the event that the percentage referred to in Paragraph 1 is negative, pensions shall not be updated.</b></p>
<i>d. Type and structure of the calculation model</i>	
<p>In order to fill in column H “Social security pension schemes” of Table 29 a statistical actuarial model was created to estimate the pension entitlements of the social security pension scheme in Bulgaria on annual basis. It was elaborated by a statistical mathematician from the BNSI and follows closely the steps and recommendations of the “Technical Compilation Guide for Pension Data in National Accounts” of Eurostat.</p> <p><u>The steps in the model are as follows:</u></p> <ol style="list-style-type: none"> <li>1. Population projection.</li> <li>2. Projecting the pensions of existing retirees: <ol style="list-style-type: none"> <li>2.1. Generating age-specific pension profiles;</li> <li>2.2. Rescaling the pension benefits of existing retirees;</li> <li>2.3. Projecting the pension benefits of existing retirees.</li> </ol> </li> <li>3. Projecting the pensions of future new retirees: <ol style="list-style-type: none"> <li>3.1. Estimation of pension benefits for new retirees in the base year;</li> <li>3.2. Estimation of pension benefits for new retirees in a future year;</li> <li>3.3. Estimating the cumulated benefits of future new retirees.</li> </ol> </li> <li>4. Considering the proportion of full pensions accrued-to-date.</li> <li>5. Aggregating and discounting pension benefits.</li> </ol>	
<b>2. Assumptions and methodologies applied</b>	
<i>a. Discount rate</i>	
2% real discount rate	
<i>b. Wage growth</i>	
1.5%	
<i>c. Valuation method: ABO/PBO</i>	
The model uses a PBO approach.	
<b>3. Data used to run the model</b>	
<i>a. Mortality tables</i>	
The population data projections up to year 2079 used for the calculation come from Eurostat (EUROPOP). Since this was the last year for which there were projections in EUROPOP at the time of making of the model and the model itself required 100 future years of projection by design, data	

projections up to year 2111 were calculated by the BNSI statistical mathematician in total accordance with the EUROPOP projections and standards.

#### *b. Entitlement statistics; other relevant statistics*

The social security pension scheme of Bulgaria (Pillar I) is administered by the National Social Security Institute which has available primary information for insured persons and pensioners, which is necessary for the evaluation of the pension entitlements of current and future retirees. Following the guidelines of the “**Technical Compilation Guide for Pension Data in National Accounts**” the available information from NSSI was analyzed:

- **For calculation of pension entitlements of future retirees, current insured persons:**
  - number and average insurable income of insured persons by gender and single age as well as labour category by years;
  - average insurable income by years;
  - number of newly granted old age pensions by gender and single age by years;
  - number of newly granted disability pensions by gender, single age and degree of disability by years;
  - number of terminated disability pensions by gender, single age, degree of disability and reason for termination by years;
  - number of newly granted survivors pensions by gender and single age by years.
- **For calculation of pension entitlements for current retirees:**
  - number and average pension amounts (main and/or paid with any supplements), by gender and single age, as well as type of pension (old age, disability, survivor) by years.
- **Other data:**
  - expenditure on pensions paid by the public social security by type of pension (old age, disability, survivor) by years;
  - social contribution receipts in the “Pensions” fund including government participation by years;
  - number and average amount of newly granted pensions by gender, single age and type of pension by years.
- **Other information:**
  - the maximum amount of pensions and early retirement of persons working under hard labour conditions.

#### **4. Reforms incorporated in the model**

#### **5. Specific assumptions**

##### *a. How are careers modelled?*

##### *b. How are survivor pensions calculated?*

Survivor pensions are calculated in the model. Their treatment is the same as old age pensions except that the population spread includes people in all age segments (0 to 100+).

##### *c. How is the retirement age modelled over time?*

From the Social Insurance Code of Bulgaria:

#### Acquisition of Entitlement to Pension

Article 68. (Amended, SG No. 100/2010, effective 1.01.2011, SG No. 100/2011, effective 1.01.2012, SG No. 61/2015, effective 1.01.2016) (1) **Entitlement to a contributory-service and retirement-age pension shall be acquired upon attainment of the age of 60 years and 10 months for women and 63 years and 10 months for men and 35 years and 2 months of contributory service for women and 38 years and 2 months of contributory service for men. As of 31 December 2016, the retirement age shall be increased, from the first day of each subsequent calendar year, as follows:**

1. until 31 December 2029, the retirement age for women shall be increased by 2 months per calendar year, and by 3 months per calendar year as of 1 January 2030, until 65 years of age are reached;  
2. until 31 December 2017, the retirement age for women shall be increased by 2 months, and by 1 month per calendar year after 1 January 2018, until 65 years of age are reached.

(2) As of 31 December 2016, the length of contributory service under Paragraph 1 shall be increased, from the first day of each subsequent calendar year, by 2 months until attainment of 37 years of contributory service in the case of women and 40 years of contributory service in the case of men.

(3) If a person is not entitled to a pension under Paragraphs (1) and (2), prior to 31 December 2016 such person shall acquire entitlement to a pension upon attainment of the age of 65 years and 10 months for both women and men, subject to at least 15 years of actual contributory service. As of 31 December 2016, the retirement age shall be increased from the first day of each subsequent calendar year by 2 months, until 67 years of age are reached.

(4) (New, SG No. 102/2018, effective 1.01.2019) When the entitlement to a pension in accordance with Paragraphs (1) and (2) related to the application of an international treaty to which the Republic of Bulgaria is a party or of the EU regulations concerning coordination of social security systems is assessed, where the person does not acquire an entitlement to pension only based on the contributory service recognised in accordance with the Bulgarian legislation but has at least 15 years of actual contributory service and has reached the age specified in Paragraph (3) before the contributory service abroad is certified, a pension equal to the social old-age pension shall be granted provided that the person does not receive another type of pension.

(5) (Renumbered from Paragraph 4, SG No. 102/2018, effective 1.01.2019) After 31 December 2037 the age under Paragraph (1) shall be tied to the increase of the average life expectancy.

-----  
Retirement age for men and women are **variables** in the BNSI calculation model that **can be adjusted** when needed.

*d. Other specific features of the model*

**6. Any other comments**

## 8. Table 29 column K: Entitlements of non-resident households

Data not available.

## 9. Links to (national) publications providing further information on the pension schemes

Pension entitlements in social insurance

Main page:

<https://www.nsi.bg/en/content/16036/pension-entitlements-social-insurance>

Methodology :

<https://www.nsi.bg/en/content/16036/pension-entitlements-social-insurance>