



# **Peer Review on “Minimum income benefits – securing a life in dignity, enabling access to services and integration into the labour market”**

**Germany, 15 – 16 November 2018**

**Peer Country Comments Paper - BULGARIA**

**Minimum Income Schemes in Bulgaria**  
**(design, strengths, weaknesses, comparison with German policy example)**

**DG Employment, Social Affairs and Inclusion**

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November 2018



**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion

Unit C.1

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B-1049 Brussels

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## **1 Introduction**

This paper has been prepared for the Peer Review on "Minimum income benefits – securing a life in dignity, enabling access to services and integration into the labour market". It provides a comparative assessment of the policy example of the Host Country Germany and the situation in Bulgaria. For information on the host country policy example, please refer to the Host Country Discussion Paper.

## **2 Situation in the peer country**

### **2.1 Design of the Minimum Income Programmes**

Four programmes for providing minimum income benefits are presented in this section.

#### ***Guaranteed Minimum Income Programme***

The programme provides means-tested *monthly social benefits* to the poorest persons and families regardless of their age, family and labour status, etc.

Typology. *GMI programme* is a universal scheme which provides "cash benefits for those eligible claimants whose resources are below a specified Minimum Income standard" (Crepaldi et al. 2017; p.32). At the same time, the programme applies a differentiated approach for assessing the socio-economic, health and demographic status of claimants by applying a set of eligibility criteria and set of percentages for determining the level of their monthly social benefits; special requirements are introduced for unemployed claimants and beneficiaries.

Right to social assistance under the programme is granted to all Bulgarian citizens, families and cohabiting persons who, for health, age, social or other reasons, are unable to secure fulfilment satisfaction of their *basic human needs* by themselves through their own labour or earnings gained from owned property, or with the assistance of the persons/relatives obliged by law to support them. The right to social assistance applies also to foreigners having permission for permanent or long-term stay in Bulgaria and foreigners, who have been granted asylum, refugee status or humanitarian status.

Nature of monthly social benefits and allocation method. The benefits *supplement* the beneficiaries' income to a certain threshold and are allocated after an assessment based on a number of eligibility criteria (see Annex 2).

According to the income criterion, the claimant's (and the family's) income should not exceed the level of the differentiated minimum income (DMI). The DMI level is calculated on the basis of the GMI through a system of percentages applied to the different groups of claimants (see Annex 2). The GMI is determined by a Council of Ministers' Decree and represents a normative standard used for the purposes of social assistance in Bulgaria. In the period 2009-2017, the GMI was frozen to the level of BGN 65 or ~ EUR 33<sup>1</sup>, which did not correspond to the changes in the economic and social environment (Shopov G. 2013). Presently, the amount of GMI is equal to BGN 75 or ~ EUR 38 per month, which represents 23 % of the official poverty line defined by the Government (BGN 321 or ~ EUR 160 for 2018).

The provision of these monthly social benefits is not time bound - it lasts while the beneficiaries respond to eligibility criteria. For this purpose, a regular annual re-certification procedure is applied. In addition, the beneficiary of social assistance benefits is obliged to keep the social workers informed about any changes in his/her socio-economic circumstances, declared to the local social assistance office during the first certification procedure.

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<sup>1</sup> The exchange rate is fixed at EUR 1 = BGN 1.9558.

Activation requirements. Special activation conditionalities exist for unemployed claimants and beneficiaries and related to social inclusion of children (see Annex 2).

Intermediation services. The Law on Social Assistance (LSA) contains provisions for the preparation of an "individual plan for social integration of a beneficiary of GMI benefits" - when the social worker considers this as appropriate. However, in practice, there are a few cases of developed and implemented plans for social integration.

Economic form of provision of benefits. The benefits are provided mainly in cash. In rare cases and upon a decision of social workers they are provided in-kind with a view to avoid misuse by unscrupulous receivers. The benefit is granted until the respective beneficiary (person or family) fully responds to eligibility criteria.

The financing is from the state budget and is tax-based (no special or general social contribution).

Tied assistance: (1) For the beneficiaries of *GMI programme* the state covers the expenses for compulsory health insurance by paying their health insurance contributions. In 2017, some 62 000 people were beneficiaries of this type of assistance. (2) In addition, Bulgarian citizens without income and/or personal property and who are not able to pay for health insurance, have the right to special financial aid for hospital treatment. The costs are paid by the Agency for Social Assistance to the medical establishments.

### **Heating Allowances Programme**

The programme provides benefits to the poor persons and families for assisting the payment of heating bills during the winter season (November-March). Its design is very similar to the *GMI programme*.

Right to assistance with HA is granted to the persons and families whose income is lower than a differentiated minimum income for heating (DMIH) and respond to the GMI eligibility criteria and activation requirements. The level of DMIH is calculated in a similar way as the DMI – on the basis of GMI and by applying a set of percentages for different categories of claimants. The categories differ from these used in the *GMI scheme* and the values of the percentages are higher, having been also increased twice in the last years – in 2008 and in 2013 (see Annex 2). Thus, the DMIH is considerably greater than DMI, which means that (i) beneficiaries of GMI have direct access to HA (if they demand it); (ii) the coverage of the *HA programme* is wider. During the winter season 2017/2018 almost 205 000 persons and families or all together 307 000 beneficiaries were covered by the HA programme, and BGN 76 million were spent.

Nature of HA and allocation method. HA are **lump sums**, i.e. the type of the fuel used for heating and the size and the energy class of the housing of the beneficiary does not influence the amount of the HA. The level of HA is determined each year by the Minister of Labour and Social Policy and it corresponds to the expenditures for monthly consumption of electricity in the amount of 385 kWh according to the electricity price. For the current winter season 2018/2019 the monthly HA is BGN 31.25 which represents 10 % of the official poverty line defined by the Government. Thus, the sum of HA and GMI benefit is equal to 1/3 of the poverty line.

Economic form of provision of benefits. The beneficiary has the right to choose the type of the fuel. If electricity and heat-power are preferred, the HA are provided in cash and transferred by the local social assistance offices to the beneficiary's bank account. When a solid fuel is selected, the provision could be either in cash or in kind, depending on the beneficiary's choice.

The financing is tax-based from the state budget through the Budget programme of MLSP "Provision of targeted social assistance for heating of low-income population".

Tied assistance: the state covers the expenses for compulsory health insurance of the beneficiaries of the *HA programme* by paying their health insurance contributions. In 2017, ~98 478 people benefited from this type of assistance.

### **Other programmes providing minimum income benefits**

First, the Law on family assistance for children stipulates four types of *child benefits* granted after a means-test of the family: (a) income threshold of BGN 450 per family member for the last 12 months is applied for: (i) one-time benefit in case of pregnancy – BGN 150; (ii) one-time benefit for children enrolled in first grade – BGN 250; (iii) monthly benefit for bringing up a child up to one year of age (for not insured parents) – BGN 100; (b) income threshold of BGN 400 per family member for the last 12 months is applied for (iv) monthly benefits for bringing up a child until secondary school graduation but up to the age of 20 years (for insured mothers)<sup>2</sup>: BGN 40 for one child, 90 BGN for two children, BGN 135 for three children, BGN 140 for four children, BGN 20 for each subsequent child. Mothers with income of BGN 400.01-500 receive 80 % of the benefit.

Second, *disabled people* receive *monthly supplements for social integration*, according to Article 42 of the Law on Integration of People with Disabilities. The amount is determined in percentage of the GMI and varies according to the degree of disability. The supplement is not means-tested and aims at facilitating the process of social inclusion of people with disabilities. Currently, the Parliament is discussing a new Law for People with Disabilities, including a section on their social inclusion. It is expected that the Law will enter into force in 2019.

## **2.2 Strengths and Weaknesses**

<b>Strengths - GMI Programme</b>	<b>Strengths - HA Programme</b>
is the last resort social safety net which targets the poorest persons and families for whom all other alternatives for ensuring minimum income are exhausted or insufficient	using similar principles and criteria, the HA programme upgrades the GMI programme
being universal, it applies at the same time a differentiated approach to the various categories of beneficiaries	the design of the programme is relatively sustainable, but also adaptable to the external environment
has the most multifarious and exhaustive set of eligibility criteria and requirements with the view of better targeting	the access is wider, and the coverage of vulnerable groups is larger than the coverage of GMI
aims at provoking behavioural change with regard to social inclusion of unemployed and of pupils	the clear amount of the monthly threshold for consumption of electricity as a basis for determining the amount of the HA benefit
solid administrative capacity of the Agency for Social Assistance for implementing the two programmes	the mechanism of automatic update of the amount of the HA benefits when changes in the electricity price occur
<b>Weaknesses - GMI Programme</b>	<b>Weaknesses - HA Programme</b>
the design of the programme is restrictive and conservative and is not adaptable to changes in the macro-economic environment in the various phases of the economic cycle	the programme aims at alleviating the heating poverty during the winter season, while the general and wider problem of energy poverty remains outside of the policy agenda in Bulgaria <sup>3</sup>
the lack of clear rules for setting up the GMI level and the system of percentages	HA is provided as a lump sum which does not reflect the differences in the dwelling conditions and consumption needs of specific vulnerable groups, and is more favourable for recipients with relatively higher incomes

<sup>2</sup> Additional requirements exist about the regular child's attendance of school and performance of mandatory immunizations.

<sup>3</sup> This is despite the commitment of the country to develop definitions of energy poverty, vulnerable consumers, provision of adequate social protection, etc., according to Directive 2009/72/EC of the European Parliament and of the Council (part of Third energy package).



the lack of methods for regular updating of the GMI level and the percentages for the various types of beneficiaries	the lack of clear rules for setting up the system of percentages and the monthly threshold of electricity consumption
the coverage is low and decreasing	the freezing of the GMI level has a negative effect on the access to the HA programme

### **3 Assessment of the policy measure**

The comparison of the described Bulgarian schemes for minimum income benefits with the German policy example shows that the *differences prevail over the similarities*.

#### Main differences:

- At the Constitutional level, the German Basic Law and the Constitutional Court explicitly outline and secure the link "subsistence minimum – human dignity" (*Host Country Report*, 2018, p.9). The Bulgarian Constitution (art. 51) states that "citizens have right to social insurance and social assistance" and the Law on Social Assistance links the right of assistance with the individual incapability to satisfy the personal basic human needs.
- On this base, the German system of minimum income benefits is developed and adjusted for complying with the requirements of the Constitution, as interpreted by the Federal Constitutional Court, in order to "ensure the material prerequisites which are indispensable for physical existence and minimum participation in social, cultural and political life to each person in need of assistance". In Bulgaria, the minimum income schemes are designed and implemented in execution of specific social laws. The insufficient level of GMI and respectively, of the social assistance provided by the *GMI programme*, has not been submitted by any stakeholder for judgment to the Constitutional Court. Another important obligation stated by the German Constitutional Court is that "the legislator has to ensure that identifiable risks of under-funding of minimum income benefits will not occur" (*Host Country Discussion Paper*, 2018, p.15). Such explicit requirement does not exist in the Bulgarian Constitution; usually the budget restrictions and the financial stability have priority over the social policy.
- In terms of typology, the social assistance provided by *Bulgarian GMI and HA programmes* is rather universal/general than categorical, while the German schemes are predominantly categorical (focused on delivery of minimum incomes for different groups of recipients - employment seekers, old age persons, people with reduced earning, asylum seekers). However, *family benefits for children* and *monthly supplements for social integration of disabled people* in Bulgaria belong to the categorical social assistance.
- An important difference is that in Germany, the *Basic Income Support for Employment Seekers* has been introduced in a period of high unemployment (2005) with the purpose to reduce unemployment, i.e. the development of the minimum income systems takes into account the changes in the economic environment and the aggravation of a key socio-economic problem. In Bulgaria, the changes in the minimum income schemes are not so sensible and adaptable to the economic cycle (some exception - *HA programme*).
- *Basic Income Support for Employment Seekers* is targeting specific groups of employment seekers and members of their family ("benefits community") who are not able to work, while in Bulgaria such a specific scheme for employment seekers does not exist.
- The calculation of the "standard needs" in Germany is evidence-based (by regular surveys). The mechanism for their annual indexation is transparent and

clear (based on a transformed "Golden Swiss rule"). In addition, the basic-needs-relevant consumer spending for a single-person household is calculated and determined by law. This is not the case in the Bulgarian programmes. Thus, the elaboration and implementation of transparent rules for setting up the level of minimum income benefits (e.g. – the value of GMI and the system of percentages) and of its periodic indexation must be included in the Bulgarian social policy agenda.

- In order to create stronger incentives to take up work, not all income from work is taken into account when calculating the entitlement to benefits under the *Basic Income Support for Employment Seekers* system. In Bulgaria, a similar approach of deduction of 30 % of income from work was introduced in 1992, but it was abolished in 1998. The 'revival' of the practice to *withdraw* some part(s) of earned incomes and/or of received minimum income benefits could be part of the Bulgarian discussion on modernisation of social assistance system.
- The scope of *Livelihood Assistance Benefit* is much larger than the *Bulgarian HA*, which aims to alleviate "only" the heating poverty; the "actual costs of adequate accommodation", as in Germany, are not reimbursed.
- In Bulgaria, there is no special child allowance for employees with low earned income, like in Germany. Family allowances for children in Bulgaria are granted to all families/parents, with the exception of some means-tested provisions.
- Summarising, in comparative terms, the German minimum income system is mainly categorical, oriented towards different social groups of recipients, more detailed and evidence-based than the Bulgarian one. The role of the minimum income benefits for ensuring "the material prerequisites which are indispensable for physical existence and minimum participation in social, cultural and political life" to beneficiaries, and that the legislature "has to orientate the benefits to be paid towards the respective stage of development of the polity and towards the existing conditions of life" (*Host Country Report*, 2018, p.9) are subjects of Constitutional arrangements.

Main similarities:

- The systems of minimum income benefits are tax-funded in both countries.
- Activation measures for unemployed beneficiaries are part of the minimum benefits schemes in both countries. In Germany, people receiving *Basic Income Support for Employment* carry certain obligations, especially to undertake efforts to find a job. In Bulgaria, special conditionalities for unemployed persons are included in the eligibility criteria of *GMI and HA programmes*; additional requirements exist for supporting the social inclusion of pupils.
- Tied assistance exists in both countries - recipients of minimum income benefits (*Basic Income Support for Job Seekers* and *Basic Income Support in Old Age and in the Event of Reduced Earning Capacity* in Germany, and *GMI and HA Programmes* in Bulgaria) are compulsory health insured.
- Assets are subject to test whether a claimant is eligible for assistance.
- In both countries, part of the active labour market policies for job seekers apply traditional employment promotion instruments. In Bulgaria, the programmes for employment, professional qualification and training are financed mainly by OP HRD.

#### **4 Assessment of success factors and transferability**

The success of each policy, respectively of a policy measure(s), depends on a range of factors - political, economic, social, institutional (legislation, stakeholders, incl. institutions and their capacity), knowledge (academic, expertise), the "bridge" between knowledge and policy, respectively between researchers or policy advisors and policy makers. These factors have national specifics and in a *specific momentum* their combination creates a *unique window* for a successful policy change.

It seems reasonable to suppose that in Germany at the appropriate momentum a favourable window has been formed for the introduction and adaptive changes of the schemes described in the *Host Country Report*. The constitutional obligations and their fundamental interpretation by the Federal Constitutional Court in February 2010 can be highlighted as a *decisive success factor*. This leading institutional factor is (most probably) combined and supported by others, such as political will and consensus, favourable economic context, available budget resources, administrative capacity, knowledge and expertise, effective "bridge", etc.

In Bulgaria, such *momentum* for introducing GMI and HA programmes happened in the first half of the 1990s, (e.g. exacerbation of the problem of mass poverty, political will for changes in social assistance system, strengthening of administrative capacity, existence of expertise, a consensus among the social partners within the tripartite dialogue)<sup>4</sup>. As a result, the focus is on developing minimal income schemes that are geared towards *alleviating* a more general social problem like poverty, combined with family-oriented schemes (low-income families with children), whereas in Germany the minimum income benefits are targeted at different disadvantaged groups and aim to ensure the minimum of participation in social, cultural and political life of the respective person in need of assistance.

In this context, **probably**, it makes sense to launch a debate in *Germany* on the need for a more universal last resort scheme for a minimum income of poor citizens regardless of the group they belong to, and regardless of the reasons for their poverty. For *Bulgaria*, the German policy example demonstrates that the identified problems related to adoption of a clear and transparent mechanism for determining the monthly threshold of electricity consumption and the GMI level and its indexation, must and can be solved. For *both countries*, a public debate on the possibilities of consolidating existing schemes for minimum benefits seems reasonable.

#### **5 Questions**

1. In the *Host Country paper* (p.13) is written "There is a constant debate in Germany to strengthen other parts of the social security system":
  - (i) What are the main points of this debate?
  - (ii) Is the question about the proportions between the different minimum incomes (minimum benefits, minimum pensions, unemployment benefits, minimum wages, family allowances, etc.) part of this debate, in order to avoid overloading of the social assistance system?
  - (iii) Is the possibility to consolidate (some) minimum income benefits schemes discussed?
2. Does the *Host Country* discuss the social issues related to energy poverty – national definition, policy measures for its alleviation, etc.
3. The consensus is crucial for taking any policy decision, even in case when strong academic/scientific suggestions, arguments and evidences exist. How

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<sup>4</sup> Similar appropriate *momentum* has been created at the end of 90s and after the year 2000 when the Bulgarian pension reform has been launched (Shopov G. 2004).

can an agreement be reached in the society in such cases – for instance on the debate about the amount of standard needs (*Host Country paper*, p.15).

## **6 List of references**

Crepaldi C. et al. 2017, *Minimum Income Policies in EU Member States*. European Parliament. Directorate general for internal policies, Policy department A: Economic and Scientific policy.

Cremer G. 2018, *Minimum income benefits in Germany*, Host Country Paper.

Shopov G. 2004. *The Political Context of the Pension Reform and the Bridge "Research-Policy"*. Economic Thought. Issue 6. Page 23-44.

Shopov G. 2013. *Targeted social assistance in the economic development periods*. Economic Studies. Issue 1. Pages 72-107.

## 7 Annexes

### Annex 1 Summary table

The main points covered by the paper are summarised below.

#### Situation in the peer country

- The minimum benefits schemes in Bulgaria are: (i) for guaranteed minimum incomes (GMI) for the poorest persons and families through the provision of monthly social assistance benefits *complementing* the beneficiaries' own incomes; (ii) for assisting poor persons and families with heating allowance (HA) during the winter season by provision of a *lump sum*; (iii) child allowances for low-income parents; (iv) monthly supplements for social integration of disabled people. Schemes (i) and (ii) are means-tested; (iii) is income tested; (iv) is for a specific disadvantaged group.
- Being universal, GMI and HA schemes at the same time apply a differentiated approach to the various categories of beneficiaries – by using (a) specific sets of percentages to GMI value for assessing the income status of claimants; (b) identical eligibility criteria and conditionalities (requiring active behaviour on the labour market by the unemployed beneficiaries). Thus, the HA scheme upgrades and complements the GMI programme.
- The financing of all schemes is tax-based, from the state budget, through special Budget programmes of MLSP; the administration of the schemes is centralised and performed by the Agency for Social Assistance and its local offices.
- One of the main weaknesses of the programmes is the lack of transparency and clear rules for adaptation to the changed socio-economic environment of their key features - GMI level, the amount of HA, the level of child allowances, the values of the sets of percentages, etc.

#### Assessment of the policy measure

- The comparison of the described Bulgarian schemes for minimum income benefits with the German policy example shows that the differences prevail over the similarities.
- The German system of minimum income benefits is developed and adjusted for meeting the requirements of the German Constitution, as interpreted by the Federal Constitutional Court, in order to "ensure to each person in need of assistance the material prerequisites which are indispensable for his or her physical existence and for a minimum of participation in social, cultural and political life". Such explicit provisions do not exist in the Bulgarian Constitution. This leaves more discretionary power to the executive bodies, but makes it more difficult to ensure adequate minimum income and to alleviate poverty and inequalities.
- In terms of methodology, the social assistance provided by the *Bulgarian GMI and HA programmes* is rather universal than categorical, while the German schemes are predominantly categorical (focused on the delivery of minimum incomes for different groups of recipients - employment seekers, old age persons, people with reduced earning, asylum seekers). Family benefits for children and monthly supplements for social integration of disabled people in Bulgaria, on their turn, provide categorical social assistance.
- An important difference is that *Basic Income Support for Employment Seekers* has been introduced in a period of high unemployment (2005) with the purpose to reduce unemployment; i.e. the development of the minimum income system takes into account the changes in the economic environment and the aggravation of a key socio-economic problem. In Bulgaria, changes in the minimum income schemes are not so sensible and adaptable to the economic cycle (some exception – HA

programme).

- The calculation of the "standard needs" in Germany is *evidence-based* (by regular surveys). The mechanism of their annual indexation is *transparent and clear*. In addition, the basic-needs-relevant consumer spending for a single-person household was calculated and determined *by law*. This is not the case in the Bulgarian programmes.

### Assessment of success factors and transferability

- The success of any policy measure, respectively of a policy measure(s), depends on a number of factors - policy, economic, social, institutional (law, stakeholders, institutions and their capacity), knowledge (academic, expertise), the bridge between knowledge and policy; between policy makers and policy advisors. Their combination at a certain *momentum* creates a unique *window* for successful policy change.
- There is reason to assume that in Germany at the appropriate momentum a favourable window has been formed for the introduction and adaptive changes of the schemes described in the Host Country paper. The constitutional obligations and their fundamental interpretation by the Federal Constitutional Court in February 2010 are highlighted as a decisive *success factor*. This leading institutional factor is (most probably) combined and supported by others, such as political will and consensus, available budget resources, administrative capacity, knowledge and expertise, effective "bridge", etc.
- In Bulgaria, in the first half of the 1990s, an appropriate momentum for introducing GMI and HA programmes was in place (e.g. exacerbation of the problem of mass poverty, political will for changes in social assistance, strengthening of administrative capacity, existence of expertise, a consensus among the social partners within the tripartite dialogue).
- For Bulgaria, the German policy example demonstrates that the identified problems related to the adoption of a clear and transparent mechanism for determining the monthly threshold of electricity consumption, GMI level and its indexation, need and can be solved. For both countries, a public debate on the possibilities of consolidating existing schemes for minimum benefits seems reasonable.

### Questions

- Is the question about the proportions between the different minimum incomes (minimum benefits, minimum pensions, unemployment benefits, minimum wages, family allowances, etc.) part of the debate on "How to strengthen other parts of the social security system?"
- Is the possibility to consolidate (some) minimum income benefits schemes discussed?
- Does the Host Country discuss the social issues related to energy poverty – national definition, policy measures for its alleviation, etc.?
- The consensus is crucial for taking any policy decision, even in case when strong academic/scientific suggestions, arguments and evidences exist. How can an agreement be reached in the society in such cases – for instance on the debate about the amount of standard needs?

## Annex 2 Example of relevant practice

Name:	<b>Guaranteed Minimum Income Scheme</b>
Year of implementation:	1992 – by a Council of Ministers’ Decree. Since 1998 the GMI Scheme has been regulated and implemented according to the Law on Social Assistance and the Ordinance on its Implementation.
Managing authority:	Ministry of Labour and Social Policy through its Agency for Social Assistance (ASA). Every person and every family in temporary or lasting hardship may apply for assistance to the local offices of ASA.
Objectives:	To support all citizens who are not able to satisfy their basic human needs without someone else’s help; assist the social re-integration of the persons receiving social benefits and support the employment of unemployed people responding to the requirements for receiving monthly social benefits. The programme does not aim at equalisation of well-being of beneficiaries to those of the rest of the citizens, but to provide benefits to cover the most urgent basic needs, to create incentives for participation in the labour market and to support the overcoming of poverty and social exclusion by ensuring minimum income and applying (as a form of subsidiarity principle) incentives for active personal behaviour targeted at social inclusion and mobilisation of personal potential.
Main activities:	MLSP – Strategic management and policy design. ASA – Operational management of the Programme. Local offices of ASA - Provision of monthly social assistance benefits according to results from social inquiries accomplished by the social workers; exchange of information with other public institutions (e.g. Labour offices, Tax offices, Regional Educational Directorates) about the socio-economic status of applicants and beneficiaries.
Results so far:	<u>Positive</u> : Provision of last-resort social assistance benefits to the poorest and most deprived persons and families. Implementation of incentives for social re-integration: e.g. able to work unemployed people - to have active behaviour on the labour market; parents - to respect the immunisation calendar of their children; pupils – to attend school, etc. <u>Negative</u> : (i) Decreasing number of assisted people and families (from ~ 76 000 number of cases/average per month in 2010 to 47 000 number of cases/average per month or 112 000 persons and families in 2017, and thus - lower coverage; (ii) Decreasing public expenditures – from app. BGN 46 million in 2010 to BGN 33 million in 2017 (only 63 % of the expenditure allocated in the budget). These negative effects are due mainly to the long-lasting freezing of the GMI (BGN 65 in 2009-2017 and BGN 75 since 2018) which caused a significant lag behind the other minimum incomes – e.g. the minimum wage increased from BGN 240 in 2010 to BGN 460 in 2017 and BGN 510 in 2018.
<i>Main eligibility criteria:</i>	
Income threshold	Differentiated minimum income (DMI)* for each risk group after a declaration of entire incomes from any economic activity, sale and/or exchange of movable or real estate; rent and lease; pensions; scholarships; monthly family allowances and other incomes.  15 types of incomes are excluded, e.g. incomes obtained as a result of cultivation of agricultural land from the State Land Fund and from the municipal land fund for a period of one year from its granting; salary received for the last month of participation in the National Programme



	"From Social Assistance to Employment"; monthly supplement for social integration of disabled people according to the Law for Integration of Disabled People, etc.
Property	The beneficiary cannot: possess own movable and immovable property that could be used to generate income; have sold or donated lodging, summer house, or agricultural or forest land worth 60 times the amount of the GMI within the previous five years; refuse to accept or cultivate land provided by the state or municipal land fund (the last requirement is not applied for people with reduced working ability). The housing size should not exceed the threshold size set by the Regulation on the Implementation of the Law on Social Assistance – the size varies according to the number of family members.
Health status	Some criteria are not applied for disabled people.
Conditionalities and requirements to activate the behaviour of unemployed beneficiaries on the labour market	Able to work unemployed beneficiaries of working age: <ul style="list-style-type: none"> <li>• must register with an employment bureau;</li> <li>• must wait six months before receiving benefits (the requirement is waived for people who are unable to work);</li> <li>• cannot reject a job or a professional qualification proposed by an employment bureau – the refusal leads to a cut-off of benefits for one year but only for the unemployed beneficiary, not for the entire family;</li> <li>• cannot refuse to work up to 14 days a month (four hours/day) in municipal employment programmes - the first refusal results in cutting off of the monthly benefit for two months; the second one - for two years.</li> </ul>
Conditionalities and requirements aimed at social inclusion of children	<ul style="list-style-type: none"> <li>• For children who attend school - higher percentage is used when calculating DMI (91 % of GMI).</li> <li>• For a 7-16-year-old child who does NOT study – lower percentage (20 %) of GMI is applied.</li> <li>• In case of five or more unexcused absences from school - lower percentage (30 %) of GMI is applied.</li> <li>• If no document certifying that mandatory immunisations and prophylactic examinations of the child have been performed – a lower percentage (30 %) of the GMI is applied.</li> </ul>

\*-for the calculation of DMI see the table below.

**Differentiated minimum income (DMI) – threshold for accessing GMI programme**

<b>Category*</b>	<b>Percentages for defining DMI (GMI=75 BGN)</b>	<b>Amount of DMI (BGN)</b>
person over the age of 75, living alone	165	123,75
person over the age of 65, living alone	140	105
person over the age of 65	100	75
person cohabiting with another person (persons) or a family; and for each one of the spouses living together	66	49,5
person up to the age of 65, living alone	73	54,75
person with permanently decreased working capability with 50 per cent and more	100	75
person with permanently decreased working capability with 70 per cent and more	125	93,75

\* Not all 15 categories are included in the table.

**Differentiated minimum income for heating (DMIH) - threshold for accessing HA programme**

<b>Category*</b>	<b>Percentages to GMI for defining DMIH</b>	<b>Amount of DMIH (in BGN)</b>
person living alone	233,08	174,81
each one of the spouses living together	167	125,25
child between 0 and 18 years of age, if student – until graduation of secondary education or professional high school	180,2	135,15
child with permanent disability	219,88	164,91
person over the age of 70	206,6	154,95
person over the age of 65, living alone	297,88	223,41
person with permanently decreased working capability with 90%	297,8	223,35

\* Not all 17 categories are included in the table.

