



## EUROPEAN SOCIAL POLICY NETWORK (ESPN)

# Making access to social protection for workers and the self-employed more transparent through information and simplification

## Bulgaria

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**EUROPEAN COMMISSION**

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**European Social Policy Network (ESPN)**

**ESPN Thematic Report on  
Making access to social  
protection for workers and the  
self-employed more  
transparent through  
information and simplification**

**Bulgaria**

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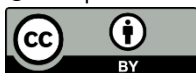
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## Summary

The purpose of this report is to identify and analyse policies put in place by the country to improve transparency in access to social protection, considering both access to information and simplification of access. The report focuses on the six social protection branches covered in the 2019 Council Recommendation on Access to social protection for workers and the self-employed (hereafter "2019 Council Recommendation") and covers policies and measures implemented between January 2017 and May 2022. In their official response to the 2019 Council Recommendation, the Bulgarian government insisted that the existing social protection system was already in conformity with the requirements set out in the Recommendation and that Bulgaria did *"not identify the need to implement measures related to the application of the Recommendation"*.

Several bodies in Bulgaria are responsible for the administration of social protection benefits. The two key bodies are the National Social Security Institute (NSSI) and the National Health Insurance Fund (NHIF). The collection of all social security contributions and taxes is done by the National Revenue Agency (NRA), which then distributes them to the administering bodies. This central role has led to the establishment of an integrated service (an e-portal), managed by the NRA, which has become the key digital service providing personalised information to all beneficiaries of social and health protection and allowing them to check their contribution records, outstanding obligations, arrears etc. and to execute payments. The NSSI offers information on unemployment and sickness benefits, and some software tools meant to be used by employers and health service providers, which enable the electronic submission of forms related to sickness benefits and rehabilitation services.

Since 2017, the expansion of the existing digital services related directly or indirectly to social protection has continued. A new coalition government that took office at the end of 2021 announced ambitious plans related to e-government, but without referring explicitly to social protection and without mentioning the 2019 Council Recommendation. This is not surprising given that in their official response to the 2019 Council Recommendation the Bulgarian government insisted that Bulgaria does not need to take any action concerning the social protection system including in relation to transparency and simplification.

One major recent reform in social protection that had important implications for reducing the complexity of the existing system was related to disability benefits, although simplification was not among the major stated goals of the reform. The increased transparency and procedural simplification of social protection has been driven by incremental changes implemented by the agencies which manage social protection, particularly the NSSI and NHIF. In the process of digitisation, online generic information about social protection schemes, application forms and procedural instructions became more easily available and the number of digitised services delivered through web platforms increased. The overall effect of these incremental changes accumulated over time is large and has brought a significant benefit to beneficiaries of social protection. Unlike political commitments made during election campaigns and information campaigns, the incremental steps are often not advertised and do not get much publicity. This kind of gradual digitisation relies on, and is driven by, the active demand and searching on behalf of beneficiaries. The services that are already available are easy to find by somebody who is looking for this option and is accustomed to submitting documents and filling in forms online: demand therefore did not need to be boosted by targeted information campaigns.

At the same time the main agency administering social protection, the NSSI, has maintained and even expanded its more traditional non-digitised service infrastructure – offices for personal interaction and a telephone hotline for consultations about pensions (opened in 2020) which reportedly enjoys large interest from beneficiaries.

Digital inequity remains a challenge for Bulgaria, especially in the context of the relatively fast digitisation of public services, which outpaces demand and take-up. The COVID-19 pandemic also put the digital exclusion of some vulnerable groups in the spotlight. Some strategic documents indicate that the government is aware of this challenge and plans to invest in reducing the digital divide. Bulgarian digital platforms in general appear to lack special tools facilitating access for people with various disabilities.

## **1 Current policies and practices to ensure information on, and to simplify access to, social protection for workers and the self-employed**

All of the benefits reviewed in this report, with the exception of healthcare benefits, are administered by the National Social Security Institute (*Национален осигурителен институт* – NSSI). The NSSI has developed and published a special “client’s chart”, last updated in 2020, which outlines the basic rules for delivering services in the central office and branches of the NSSI, including practical advice on accessing offices (in particular for people with disabilities). The chart promises a service taking no longer than 20 minutes at a single counter in the course of a single visit. The chart is easily available on the NSSI website<sup>1</sup>. The Employment Agency (*Агенция по заетостта* – EA) is in charge of registering the unemployed, which is part of the overall procedure for gaining access to unemployment benefits. Healthcare benefits are managed by the National Health Insurance Fund (*Национална здравноосигурителна каса* – NHIF). Private pension funds (PPFs) administer the mandatory supplementary and voluntary pension funds: these are statutory funded pension schemes. The body overseeing the operations of these pension funds and publishing statistical, legal and procedural information about their operations is the Financial Supervision Commission (*Комисия за финансов надзор* – FSC). The FSC is the place where people paying social security contributions can access comparative and impartial information on PPFs<sup>2</sup>, which is crucial for making informed choices concerning supplementary social security. The PPFs have their own webpages providing both general information, which is typically accessible to the general public, and personalised information concerning the accounts of their registered members.

The collection of all social security contributions is done by the National Revenue Agency (*Национална агенция за приходите* – NRA), which has also developed an integrated database and a digitised service for all people with tax and social security information, including information on health insurance<sup>3</sup>. It provides personalised information to users (with the relevant digital identification) on their history of payment of all social security and healthcare insurance contributions including accumulated arrears. It also provides information on whether someone currently has valid healthcare insurance and how to restore it by paying the relevant arrears. Payments can be made through the portal. Knowing about potential arrears in social security and healthcare contributions and being able to pay them is key to accessing the relevant benefits. The NRA portal, however, does not provide information on potential eligibility for benefits other than healthcare or any estimates of their duration or size. The relevant agencies (NSSI, NHIV and EA) do publish generic information about social security schemes, including application forms and instructions on how to fill them in. Personalised information is also increasingly available for registered users on specialised web platforms, including an integrated web platform for online services provided by the government.

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<sup>1</sup> <https://www.nssi.bg/aboutbg/internalrules/1975-hartanoi>

<sup>2</sup> The term “private pension funds” is not officially used by Bulgarian institutions. There are different types of such funds defined in legislation, such as universal pension funds (UPFs) and professional pension funds (PPFs). To avoid irrelevant details, we use the generic term “private pension funds”, which is used in Bulgarian public debate.

<sup>3</sup> [Electronic Services Portal of the National Revenue Agency.](#)

Bulgaria has implemented large-scale reforms of its social protection system, which started at the end of the 1990s and were later developed and continued. An important component of these reforms was the establishment of large data-management systems within newly established or significantly restructured bodies managing the social protection system – such as the national health information system (NHIS) of the NHIF, and the information system of the NSSI now fully integrated with the NRA. Gradually, these databases were becoming increasingly inter-operable and thus able to deliver more integrated, digitised and client-friendly services. In parallel, many benefits were restructured. None of these reforms, except one, started in the period covered by this report (beginning of 2017 until April 2022).

There is no obvious trend towards an increase in the share of the self-employed in Bulgaria, which could be the reason why the government is not under immediate pressure to review established models of delivering social protection including in relation to transparency and simplification.

The Bulgarian government has stated officially that it does not see the need to bring in new measures in relation to the 2019 Council Recommendation because “*the current state [of the Bulgarian social protection system] is in conformity with the main objectives of the Recommendation*”, including in terms of transparency<sup>4</sup>. The issue of simplification is not discussed in the response provided by the Bulgarian government, while transparency is only mentioned when stating that it does not need any improvement to meet the objectives of the Recommendation.

### **1.1 Policies and practices to ensure access to information on social protection rights, entitlements and obligations**

The main information systems related to social protection were established in the late 1990s when Bulgaria carried out significant reforms in social protection and health insurance; but it was not until the early 2010s that the first services accessible to end-users started to appear. In the 2010s the number of services was growing steadily. Technological developments were accompanied by legal innovations, which started in 2001 with the enactment of legislation regulating the digital signature, electronic certification services and the use of electronic documents. After 2015, amendments to the legislation regulating electronic services started to occur once or even twice a year, in a sign of the growing significance and speed of development of e-government. Many new services appeared after 2015, the starting points of which are not always easy to date precisely: the actual starting date is sometimes not recorded or quoted in an official form, probably because this information is of no practical importance compared with the fact that a specific service is already available. After digitisation of services no longer faced legal obstacles, improvements became a matter of administrative routine and depended mainly on the capacity of the different agencies to modernise.

By May 2022 Bulgaria had several web portals providing information on social protection rights, entitlements and obligations: these portals use increasingly integrated databases managed by the NRA, NSSI and NHIF. The concept of a unified (centralised) web portal for digital services provided by the government is defined in the Law on E-government<sup>5</sup> enacted in 2008 and amended many times afterwards: the concept of a unified web portal was introduced along with amendments to the law from the second half of 2016.

The number of digitised services grew by small but steady steps over the 2010s. Digital services are now available for people possessing at least one of the following digital identifiers: i) a personal identification code (PIC) issued by the NSSI; ii) a PIC issued by the NRA; iii) a digital signature. The first two options are functionally equivalent – granting

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<sup>4</sup> “Information on the Implementation of the Council Recommendation on Access to social protection for workers and the self-employed in Bulgaria”, 2020, p. 3.

<sup>5</sup> <https://e-gov.bg/wps/portal/agency/about-us/ordinances-laws>



access to the growing number of digital services provided by those two agencies. Since 2013 the NHIF has also had its own PIC, which can be obtained for free and used instead of a digital signature (NHIF, 2013). No information is available on the number of users the system has.

PICs can be obtained free of charge by visiting one of the territorial offices of the NSSI or NRA. The digital signature can be obtained from licensed providers for a small annual fee. It grants universal functionality and access to any available digitised public service, including all services accessible by PICs. In an interview with the media in 2020, the Chairman of the State Agency for E-Government (SAEG) said that 2 million people had been issued with PICs by the NSSI, and 2.5 million had obtained PICs from the NRA. Digital signatures were issued to approximately 0.5 million people (i.e. they were demanded much less often than PICs despite the fact that, according to the SAEG Chairman, in Bulgaria they were many times cheaper than in other EU Member States<sup>6</sup>). We can assume that each person who obtained a PIC has used the corresponding service at least once (i.e. that 2 million people have used the NSSI information system at least once, while 2.5 million people have similarly used the electronic service of the NRA at least once). Most people are not actually expected to consult or use either the NSSI or NRA platforms very often. NRA services are typically needed once a year – at the end of the tax year. Information from the NSSI becomes important when events such as unemployment, a change of jobs, injury or retirement occur, which for the large majority of users do not happen that often.

### **1.1.1 Policies and practices to ensure access to general and personalised information**

Obtaining information on eligibility for various benefits is most important in periods of transition (i.e. between the statuses of a standard and non-standard worker, self-employment and unemployment or based on life events such as pregnancy and maternity, illness or injury). The analysis of panel data from the EU-LFS indicates that transitions between employment statuses are moderately frequent in Bulgaria. About 90% of the self-employed remain self-employed after two years, the rest move to permanent jobs or unemployment. About 93% of permanent full-time employees (those employed full time under open-ended contracts) remain in the same category after two years (De Micheli *et al.*, 2018).

A study using data for EU Member States has found that people in the highest income quartile in each Member State's income distribution seem to be more informed about their social protection coverage. *"This means that access to information about social protection is more restricted for lower income groups. Those in an open-ended contract seem to be more aware of their coverage in contrast to temporary workers and the self-employed, though awareness varies according to the type of benefit."* (Codagnone *et al.*, 2018, p. 78). Disaggregated results by Member State were not reported in the study, but the results appear theoretically sound and robust so it can reasonably be assumed that they are relevant for Bulgaria.

#### **1.1.1.1 Unemployment benefits**

Unemployment benefits can be granted only upon registration as unemployed with a territorial unit of the EA – a local employment office (LEO). Currently (in May 2022), it is possible to submit, using an online platform, a request for registration with an LEO as an unemployed person looking for a job. The procedure requires some technical skills and the person must possess a personal digital identifier.

The next stage is to apply for the benefit with the NSSI. This step can be done online using a personal digital signature (PDS) as well as in person in one of the NSSI offices. The NSSI website contains generic information and instructions on how to apply for this benefit,

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<sup>6</sup> <https://technews.bg/article-123908.html>

including eligibility conditions and the steps in the application procedure. Typically, the relevant institution publishes the requisite forms and instructions on how to fill them in, whereas the electronic submission infrastructure is provided through the centralised, integrated service platform called Egov<sup>7</sup>. A sub-set of services is available in English – apparently some of those that are relevant to EU citizens and various categories of residents who have rights to access some benefits or public services in Bulgaria. The Egov portal, as well as any other online services which are not yet integrated with it, can be accessed via a qualified digital signature or a special PIC which can be obtained by visiting an NSSI office. There are no published statistics on the times the NSSI information system or the Egov platform are visited and the number of unique users.

#### **1.1.1.2 Sickness and healthcare benefits**

Sickness benefits are administered by the NSSI and the whole process of applying and receiving a response can be done either by visiting an NSSI office or through the online platform using a digital identifier. It should be noted that for all employed people it is the employer's task to complete the relevant forms and submit the requisite medical or other documents: they can be attached to the online application in many popular file formats. The self-employed have to apply for the sickness benefits themselves (i.e. act as their own employers).

Healthcare benefits are administered by the NHIF: these are benefits in kind, which are reimbursed by the NHIF directly to the service-provider, which means that the end-beneficiary (the patient) does not generally have to take any administrative action related to the actual costing and payment of services. These processes are handled internally by the health information system of the NHIF and are invisible to the patient. There is no easily available information on the use of the NHIF information system by patients (end-beneficiaries). But the actual times patients logged into the system is not an important indicator: a user could be any passive beneficiary who was relieved of significant administrative burden without having to undertake any action (e.g. when prescriptions and medical referrals are automatically available at the pharmacy and the office of the out-patient specialist). The personalised information system of the NHIF underwent a significant upgrade in 2013.

The personalised information system stores retrospective information on the choice of a GP, as well as on the activities performed and reported by GPs since 2000 and of specialists in out-patient care, hospitals, laboratories and pharmacies since 2009. It also contains information on the activities performed and reported by dental care providers, as well as information on European health insurance cards issued. The system allows citizens to receive notifications for upcoming events (e.g. annual preventive examinations): subject to a subscription, notifications are sent by e-mail or by text message.

The NHIF has on its website a section called "online consultations", but it does not actually work in real time. Users can post their questions and are promised a reply by e-mail within five days. Questions and answers are visible on the website in anonymised form and form a Q&A section.

Until May 2022 patients had to take care of keeping many documents related to their health, the medical services they had received, and their diagnoses and prescriptions. With the gradual introduction of a growing number of e-health services it is expected that paper prescriptions<sup>8</sup> will disappear, as well as other documents such as referrals to specialists in out-patient care.

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<sup>7</sup> <https://egov.bg/wps/portal/egov/nachalo>

<sup>8</sup> Prescriptions of medicines were scheduled to become fully digitised as of May 2022. This date has been postponed several times, so by the time this report was completed we cannot confirm that this has already happened but it will surely happen within a short time.

In relation to the large number of people without health insurance in Bulgaria, the NRA has developed, on its website, a special section providing guidance for people without health insurance on how to regain their health insurance rights. The section offers a link to the relevant section of the e-service portal of the NRA, where payments of arrears on healthcare contributions can be made<sup>9</sup>.

#### **1.1.1.3 Maternity and equivalent paternity benefits**

Maternity and equivalent paternity benefits are administered by the NSSI following the same rules and procedures as for the other benefits from the state social security system. The whole application process can be done online, in a similar way to other benefits administered by the NSSI. There are no recent developments related to access to general and personalised information on maternity benefits.

#### **1.1.1.4 Invalidity benefits**

Invalidity benefits are administered by the NSSI following the same rules and procedures as for the other benefits from the state social security system. All the procedures are similar to those for other benefits administered by the NSSI (i.e. the application can be done face-to-face at an NSSI office, or online). However, the process of applying for invalidity benefits may include a combination of face-to-face interactions, which cannot yet be digitised, such as medical examinations, visits to medical commissions, and some types of needs-assessment. The procedure also involves filling in quite complicated forms: but digital services allow those forms to be submitted online, and the exchange of documents between the various institutions is becoming increasingly automated – people with disabilities have to keep with them, and carry, fewer documents.

#### **1.1.1.5 Old-age benefits and survivors' benefits**

Old-age benefits are administered by the NSSI: this is by far the most important type of benefit in NSSI's portfolio in terms of the number of beneficiaries and the amount of the funds that have to be managed. This is the only type of benefit for which the NSSI has opened a dedicated hotline for answering questions related to retirement and pensions, which operates during business hours. The NSSI hotline was opened in 2020. In parallel, the NSSI announced the opening of its territorial units and phone lines providing consultations on issues related to unemployment (i.e. unemployment benefits) (NSSI, 2020). No further information is available on the operation of those phone lines.

Similar to all other benefits administered by the NSSI, beneficiaries can submit any requisite forms and documents at one of the physical NSSI offices as well as online using a PIC or a digital signature.

Information on the operation of the PPFs, which administer the statutory funded and voluntary pension funds, is published by the FSC. The FSC publishes quite detailed and regularly updated information on the entities supervised. This information is generic but is very important for the potential members of the funds, as they are allowed to choose which fund they want to participate in: this choice should, in principle, be based on each fund's performance, membership and other information validated and published by the FSC. The NRA collecting their mandatory supplementary social security contributions transfers the payments to their fund of choice. Some analyses have pointed out the "*risks of mismanagement for the employees when they participate in 'financialised' pension funds and the lack of coordination between these voluntary instruments and (public) social and fiscal welfare*" (De Micheli *et al.*, 2018). People paying social security contributions in Bulgaria are generally not keen to compare and understand the performance of the PPFs managing their mandatory supplementary social security contributions. Very few people exercise their right to choose such a fund and they are typically assigned to a fund

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<sup>9</sup> <https://portal.nra.bg/>

administratively by the NRA. According to data from the FSC, in 2021 94% of all new members of UPFs were assigned by the NRA (FSC, 2021).

#### **1.1.1.6 Benefits in respect of accidents at work and occupational diseases**

Benefits related to accidents at work are administered by the NSSI. All the procedures are similar to those for other benefits administered by the NSSI (i.e. the application can be done face-to-face at an NSSI office, or online). Applications in respect of accidents at work can be initiated by the employer or the employee affected. There have been no recent developments on ensuring access to general and personalised information on benefits in respect of accidents at work and occupational diseases.

#### **1.1.2 General awareness-raising campaigns**

After the beginning of the COVID-19 pandemic in 2020 the Bulgarian government established a special information gateway to publish all information related to COVID-19<sup>10</sup>. The website had a special section on economic and social measures, covering both businesses and individuals. Using texts and infographics the information covered pensions and various ad hoc benefits administered only in the context of the pandemic situation, such as support for parents who have to assist their children with school lessons during online education, and support for people whose employers have been temporarily ordered to keep their businesses closed or to downscale their operations. The information presented at the gateway was not tuned to describing the system (this is done in the webpages of the relevant bodies such as the NSSI and NHIF) but the *changes* introduced in pensions and all other benefits. This was actually the only place where people could obtain information on all the changes taking place in social protection: although it was created to work as an information tool strictly in the context of COVID-19, the website also actually provided information on changes in social protection that were not triggered by the epidemic situation, such as the regular indexation of pensions. On the website, we identified information on pensions, sickness and maternity, invalidity benefits and medical procedures for acknowledging disability as well as on other benefits that fall beyond the scope of this analysis. The information made available is not structured but rather published in the chronological order of its appearance: despite obviously not intended for long-term use, the information is comprehensive in terms of covering all relevant changes. It seems, however, that with the lifting of restrictions and the end of the special epidemic situation in Bulgaria, the information has become more sporadic and unsystematic. The information on social protection published on the COVID-19 platform is addressed at the general public without any evidence of targeting specific audiences. The website provides customised information only on the epidemiological situation of someone accessing the information (e.g. someone under quarantine, someone who has been in contact with infected people, or someone coming from abroad). There is no systematic assessment of the impact of this information, but it appears that such a service is demanded and could address the needs of large audiences. There is no similar information service that announces and explains in simple non-bureaucratic language changes in legislation and policies concerning the whole of social protection.

##### **1.1.2.1 Unemployment benefits**

There have not been any awareness-raising campaigns related to unemployment benefits since 2017.

##### **1.1.2.2 Sickness and healthcare benefits**

There have not been any awareness-raising campaigns related to sickness and healthcare benefits since 2017.

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<sup>10</sup> [www.coronavirus.bg](http://www.coronavirus.bg)

### **1.1.2.3 Maternity and equivalent paternity benefits**

There have not been any awareness-raising campaigns related to maternity benefits since 2017.

### **1.1.2.4 Invalidity benefits**

There have not been any awareness-raising campaigns related to invalidity benefits since 2017.

### **1.1.2.5 Old-age benefits and survivors' benefits**

There have not been any awareness-raising campaigns related to old-age and survivors' benefits since 2017.

### **1.1.2.6 Benefits in respect of accidents at work and occupational diseases**

There have not been any awareness-raising campaigns related to benefits in respect of accidents at work and occupational disease since 2017.

## **1.2 Policies and practices to simplify access to social protection**

In Bulgaria, reforms related to transparency, including simplification, are typically announced during parliamentary elections as part of the manifestos of political parties. Typically, such commitments are made in the context of overall administrative reform and the introduction of e-government. This includes, in particular, reforms related to changing the rules governing social protection, including the simplification of these rules. Simplification usually comes in the form of merging various groups which were previously distinct. This was also the case with the latest regular government, which took office on 13 December 2021 after complex negotiations for forming a large coalition (*Правителство на Кирил Петков*, 2022).

Digital access to all public services was one of the goals stated in the coalition agreement for the current government. The agreement also states that processes will be optimised as much as possible prior to digitalisation, thus recognising that there are complexities that cannot be addressed by digitalisation alone. Inter-operability between various administrative systems was also to be prioritised, according to the coalition agreement. Inter-operability is very important for social protection in Bulgaria because several different systems are involved. Inter-operability is also a condition for exchanging data and providing integrated services via one-stop shops. The government also made a specific commitment to introduce, within six months, ID cards with electronic chips. The Minister of Electronic Government promised that these cards will be optional, so nobody will be requested to change their current ID cards, addressing concerns about the costs and administrative burden for citizens<sup>11</sup>. In some countries, ID cards with electronic chips have already been used for access to services related to social protection. This is a simpler way than using digital signatures or having a special ID code issued by a relevant authority.

### **1.2.1 Simplification objective embedded in reforms of social protection schemes**

In the second half of the 2010s, Bulgaria undertook efforts to make the employment of seasonal day-labourers simpler, in order to provide incentives for employers to stop informal contracting and start paying social and health contributions. This type of contract involves the payment of social and healthcare contributions and thus supports the access to healthcare benefits, benefits in relation to accidents at work and occupational diseases,

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<sup>11</sup> <https://bnr.bg/en/post/101575523/electronic-chips-in-the-id-cards-will-be-optional>

and old-age benefits: the employee has the relevant social security and health insurance contributions paid for the period of the contract.

In Bulgaria, day-labourers are a group of casual workers who face the most precarious working conditions. As part of the reform, Bulgaria introduced a system of registration of one-day contracts for agricultural workers to allow seasonal employment, which sometimes lasts just a few days in any particular job. The move was partially inspired by experiences in other countries, such as the German mini-jobs. In Germany, the procedure for registering mini-jobs was conceived as a simplification of registration and social security contribution procedures for private households (Duell, 2018), while in Bulgaria it was also a matter of bringing these existing jobs out of the informal economy and organising the payment of social security contributions. These contracts were originally introduced from the second half of 2015, but it took some time for them to gain ground as initially there was opposition from both employers and trade unions. The form was subsequently simplified and made available in electronic form, from no later than 2020<sup>12</sup>. In its current form, it is one page long and requires up to 10 fields to be completed about the nature, place, date and duration of the work<sup>13</sup>. Despite that, concluding this contract represents an additional administrative burden for employers, as in some agricultural activities they hire hundreds of workers for brief periods of time. It should be noted that this flexibility and simplification is only granted for manual operations in agriculture (e.g. picking fruit), and is not allowed for mechanised work. It is also not allowed for employment in animal breeding. After the measure was introduced, employers in other sectors of the economy such as hospitality argued that mini-jobs of very short duration are also intrinsic to their businesses; but they were not granted permission to use one-day contracts for fear of introducing yet more precarity for non-standard workers.

#### **1.2.1.1 Unemployment benefits**

There have been no simplification objectives embedded in reforms of unemployment benefits.

#### **1.2.1.2 Sickness and healthcare benefits**

There have been no simplification objectives embedded in reforms of sickness and healthcare benefits.

#### **1.2.1.3 Maternity and equivalent paternity benefits**

There are no current reforms of maternity benefits.

#### **1.2.1.4 Invalidity benefits**

A significant reform relating to invalidity benefits started in 2018 with intensive policy debates. A key normative act guaranteeing the rights of people with disabilities – the Act on People with Disabilities – was adopted with effect from 2019<sup>14</sup>. One of the stated goals of the reform, though not the primary one, was to simplify the system of invalidity benefits. This reform led to a more fundamental rules-based simplification, rather than just procedural simplification. A number of previously existing benefits were replaced by a single benefit, with care taken that this did not lead to any loss of income for the beneficiaries. Due to the simplification of rules, people with disabilities now have to claim

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<sup>12</sup> In some cases, it is not easy to find out when a specific simplification or digitisation of a service was first introduced. This information may not be available at all, or may only be available in the internal operational reports of different agencies, where it is very difficult to find. Whenever this information appears in publicly available government plans or reports we quote the relevant month/year. Otherwise, we mention the first year for which it is certain that the service was available according to media reports. However, it may have actually been introduced earlier without much visibility.

<sup>13</sup> <https://www.gli.government.bg/bg/node/4507>

<sup>14</sup> [Act on People with Disabilities](#)



only one benefit and follow through a single application process. Reassuring beneficiaries that simplification would not cause loss of income was an important part of the campaign for promoting and defending the rationale behind this reform.

#### **1.2.1.5 Old-age benefits and survivors' benefits**

Participation in mandatory supplementary pension schemes in Bulgaria requires a choice between competing UPFs<sup>15</sup>. The NRA assigns administratively to a UPF all people who do not use the opportunity to make a choice. This represents a significant simplification for the beneficiaries but also has a downside: beneficiaries remain uninterested in understanding and tracking the performance of the PPFs they participate in, and often find themselves disappointed when it is already too late to reverse their choice. Each year the proportion of people who decide to transfer their personal accounts to another fund is typically around 5% or less, even though quite detailed information on the performance of each fund is publicly available on the webpage of FSC together with instructions on how to change fund membership.

#### **1.2.1.6 Benefits in respect of accidents at work and occupational diseases**

There are no current reforms of benefits in respect of accidents at work and occupational disease.

### **1.2.2 Simplification of the application process for accessing benefits**

As at 2022 all key information systems related to benefits already have special facilities for the exchange of information between the institutions involved. These sections of the databases are only accessible on the basis of institutional credentials and are not accessible to citizens applying for benefits or the recipients of benefits. However, these digital facilities affect the recipients of many benefits in invisible ways, by making the work of the institutions involved faster and more efficient. In addition, digital facilities also reduce the administrative burden on beneficiaries: they have to keep and present to various institutions fewer documents, and no longer have to assume the role of co-ordinator for the exchange of documents between the institutions involved.

Some sources report automatisation in the applications for granting benefits in Bulgaria, referring to the International Social Security Association (ISSA) Good Practices Database (Schoukens, 2020, p. 15). This appears to be the only good practice related to Bulgaria in the ISSA database. The source quoted does not mention which particular benefits and practices are referred to. This automatisation is said to have reduced the number of declarations and related administrative burdens for citizens and companies (Schoukens, 2020, p. 15). It is quite likely that the reference is to improvements currently being introduced in the integrated online service run by the NRA (i.e. by making more services available online). Since 2020, these improvements removed for the self-employed the obligation to collect and keep documents related to the receipt of payments for work they do during the tax year.

Non-standard workers and the self-employed are not always adequately represented by the (traditional) social partners (Schoukens, 2020, p. 8). This is particularly true in Bulgaria, where trade unions are quite influential. In particular, these groups cannot expect to get any support from the trade unions in navigating the system of social benefits or in court. There is, therefore, a need for *"comprehensive overviews, which can explain and clarify the legal system of social protection in a more accessible language, while also providing information that reflects the individual situation"* (Schoukens, 2020, p. 9). The NSSI website contains comprehensive information which clarifies, in a simpler language, the rules incorporated into the Bulgarian social protection system. It also outlines different groups to which different rules apply, but falls short of providing completely personalised

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<sup>15</sup> These are PPFs that manage mandatory supplementary social security.

information; readers have to decide for themselves which group they belong to, which is not always a straightforward task. There is an option, however, to use the available hotline, where more individualised consultations can be given<sup>16</sup>. In general, despite being one of the best organised institutional websites in Bulgaria, the NSSI website could be further improved to provide information in a simpler form and to allow for personalised recommendations and advice.

### **1.2.2.1 Unemployment benefits**

There are no current developments related to the simplification of the application process for accessing unemployment benefits.

### **1.2.2.2 Sickness and healthcare benefits**

The NHIS administers electronic prescriptions and electronic referrals to specialists in out-patient care (MH, 2022). In 2020-2021 during the COVID-19 pandemic, the government speeded up the development of the digital infrastructure related to the use of electronic prescriptions. It was functioning in parallel with the traditional printed or hand-written paper forms, which were scheduled to become obsolete but were still in use as of May 2022. However, from May 2022 the government reports a boost in the use of e-healthcare services: according to the director of the state-owned company maintaining the NHIS, out-patient care can already be considered to be fully digitised (NHIS:News, 2022). In particular the government reports 40,000 e-referrals to specialists in out-patient care per day, compared with an average of 1,000 since this module first became functional in December 2020. The digital module for registering medical examinations also accumulated 80,000 records per day. The greatest benefit of full digitisation of out-patient care will be the reduced administrative and logistical burden on patients, who will be spared the need to collect, keep and carry with them a large number of medical documents when visiting medical specialists.

Healthcare benefits became easier to pay and track for the self-employed due to significant improvements in the inter-operability of databases (i.e. the use of common protocols through which databases exchange and link information). Due to this improvement users no longer have to collect and keep documents proving payment of healthcare benefits (i.e. the special forms that are filled and signed upon receipt of fees). These improvements did not affect employees because for them it had always been the employer's duty to communicate with tax authorities and provide the relevant information.

### **1.2.2.3 Maternity and equivalent paternity benefits**

There have not been any recent changes in application procedures for maternity benefits. Procedures for granting and paying maternity benefits are identical to the procedures for sickness. They are administered by the same body (the NSSI), are regulated by the same ordinance (by-law)<sup>17</sup> and are paid out from the same fund. Self-employed people have to meet the administrative requirements themselves – unlike employees (including non-standard workers), for whom it is the employer's obligation to submit the relevant documents. The self-employed have the option of becoming members of "insurance

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<sup>16</sup> The [NSSI Hotline](#) is open each working day during business hours (8:30-17:30). The call centre reports 192,000 thousand phone calls for 2021. As most clients appear to be people in pre-retirement and of retirement age, this type of communication appears most convenient and demanded, rather than newer communication technologies, which have not yet been incorporated in the service.

<sup>17</sup> *Ordinance 188 from 20 July 2015 of the Council of Ministers on allowances and benefits paid by the state social security [Наредба за паричните обезщетения и помощи от държавното обществено осигуряване]*. Council of Ministers. <https://www.nssi.bg/en/legislationbg/ordinances/3704-npopdoo>



associations"<sup>18</sup> (*осигурителни каси*): these are private bodies which manage insurance relations with the relevant state and private bodies on behalf of their members.

#### **1.2.2.4 Invalidity benefits**

Currently, the electronic data exchange between the NSSI, employers and the competent bodies with medical expertise on work capacity (i.e. medical commissions, hospitals, doctors, employers and the NSSI) is functioning well. This makes procedures simpler for beneficiaries as they do not need to submit documents themselves. Electronic submission of documents to the NSSI by employers and self-employed people now covers the full range of documentation needed for the allocation and payment of benefits. The ISSA's extensive collection of good practices describes exactly the building of the infrastructure of the NSSI<sup>19</sup> in Bulgaria.

#### **1.2.2.5 Old-age benefits and survivors' benefits**

Previously, some non-standard workers and the self-employed had to keep track and have with them the originals of all documents related to payments of their social security and healthcare contributions and taxes under every separate contract they had during the tax year. These payments were quoted on special documents issued by parties who paid fees to the self-employed. Even when tax declarations were submitted online, such documents had to be scanned and uploaded. This created a potentially large administrative burden. Now this is no longer necessary, as the tax administration is able to obtain this information internally through integrated information systems of social security, health and tax administrations. The digitised procedure also reduces the risk of people (for example) forgetting to declare some social security contributions or losing original documents: the accumulation of such omissions at the end of the day could result in lower pension entitlements. With legal amendments from the end of 2018, as of January 2019 the requirement to collect and attach such documents to the annual tax declarations has been removed (Accounting news, 2019). This is an example of legislation following technological improvements.

#### **1.2.2.6 Benefits in respect of accidents at work and occupational diseases**

In Bulgaria, the self-employed do not have access to insurance in respect of accidents at work and occupational diseases.

### **1.2.3 Simplification of the structures within the social protection administration**

#### **1.2.3.1 Unemployment benefits**

There are no current developments related to the simplification of the structures administering unemployment benefits.

#### **1.2.3.2 Sickness and healthcare benefits**

Sickness and healthcare benefits are managed by two different independent public bodies. Sickness benefits are managed and paid by the NSSI. Healthcare benefits are governed by the health insurance system and managed by the NHIF. Access to information about sickness benefits is similar to all other benefits administered by the NSSI. Healthcare benefits are benefits in kind (i.e. the end-user does not have to undertake any action

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<sup>18</sup> The literal translation of the name of these bodies is "insurance funds" – which we did not use, in order to avoid a confusion with the existing public and private funds that actually collect and/or administer insurance contributions and make payments of benefits.

<sup>19</sup> Electronic Exchange of Documents and Data between the NSSI, Medical Expertise Bodies, Employers and Self Employed for the Purposes of Short-Term Benefits Award and Payment, retrieved from <https://ww1.issa.int/gp/162250>.

related to the reimbursement of healthcare services – this works on the basis of internal communication between the NHIF and the contracted providers of healthcare). This is the reason why there is no need for special points of access for beneficiaries of healthcare. There has not been any recent reform of the structures administering those benefits. Both the NSSI and the NHIF have well developed networks of territorial offices.

### **1.2.3.3 Maternity and equivalent paternity benefits**

There are no current developments related to the simplification of the structures administering maternity benefits.

### **1.2.3.4 Invalidity benefits**

There are no current developments related to the simplification of the structures administering invalidity benefits.

### **1.2.3.5 Old-age benefits and survivors' benefits**

There are no current developments related to the simplification of the structures administering old-age benefits and survivors' benefits.

### **1.2.3.6 Benefits in respect of accidents at work and occupational diseases**

There are no current developments related to the simplification of the structures administering benefits in respect of accidents at work and occupational diseases.

## **2 Issues, debates and ongoing or planned reforms to ensure information on, and to simplify access to, social protection for workers and the self-employed**

### **2.1 Issues, debates and reforms related to generic and personalised information**

#### **2.1.1 Issues**

Boosting demand for electronic services has been outlined by the SEAG<sup>20</sup> as one of the main challenges in Bulgaria. Bulgaria took the second-last place among EU Member States in the 2021 digital economy and society index (DESI), after being the worst performer in 2020 (DESI, 2021; DESI, 2020). Most interestingly Bulgaria had rather an average score on the digital public services component of the index (one of the four components building the index) significantly outperforming in this dimension its scores measuring (digitally relevant) human capital and the integration of digital technology. This balance of scores reflects a situation of a relatively fast expansion of digital public services, including electronic services related to the social protection system as shown in this report, which has outpaced the actual take-up. Promoting electronic services and investing in bridging digital gaps across social groups remains a challenge for Bulgaria.

The COVID-19 pandemic uncovered significant gaps in the possession of digital devices, which was a significant impediment for some families (such as those living in poor Roma neighbourhoods) to accessing public services through the internet. Some strategic documents indicate that the government is aware of this challenge and plans to invest in reducing the digital divide.

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<sup>20</sup> In October 2020 the SEAG was transformed into a ministry as a sign of the increased prioritisation of policies related to e-government.

Bulgarian digital platforms in general appear to lack special tools facilitating access for people with various disabilities. We could not identify any such tools on the public sections of the available platforms or concrete plans announced by the key agencies in the field of social protection to improve digital access for people with special needs.

The provision of retrospective information in electronic form remains a significant challenge. When a new service is opened it typically provides just a couple of years of retrospective information or no information at all. For example, at the end of 2016 the NSSI introduced a package of new services, one of which was the opportunity to check data provided to the NSSI concerning medical documentation related to sickness (i.e. certificated from medical examinations etc.). Information was retrospectively available from the beginning of 2015 (NSSI, 2016). The availability of retrospective information depends on whether the electronic system had been functional before it acquired a user interface and was opened to a broader public. For some services, retrospective information may be of little practical interest to the end-user; but in other cases it may be crucial. For example, information related to old-age benefits remains relevant for decades and needs to be kept. For periods in the past not covered by digitisation, people have to keep and present paper evidence substantiating payment of social security contributions or other critical facts related to the granting of pensions.

### **2.1.2 Debates**

There have been criticisms over the delay of the e-health reform, especially in the context of the COVID-19 pandemic, which greatly increased demand for services that do not require face-to-face contact: the delayed introduction of e-prescriptions was especially criticised, as some GPs seemed to lack the necessary digital infrastructure and training to start using the system, while some software issues also emerged.

### **2.1.3 Ongoing or planned reforms**

The government which took office at the end of 2021 made general commitments related to the continuing expansion of e-government but without any specific reference to social protection.

The introduction of some important e-health services such as a fully functional system of e-prescriptions making printed prescriptions fully obsolete, which has been postponed for years, now appears imminent. Digitised referrals to specialists in out-patient care are also planned to expand, as well as digitised reports from medical examinations, which form the core of electronic dossiers of patients within the NHIS – thus removing the need for patients to keep and carry with them medical documentation.

## **2.2 Issues, debates and reforms related to simplification**

There are no current issues or debates related to simplification specifically of the social protection system.

### **2.2.1 Issues**

In recent years simplification of social protection has not been discussed by policy-makers and has not been a major issue in public debate, due to other urgent priorities such as the adequacy of support.

### **2.2.2 Debates**

There have been no important debates on simplification of social protection in recent years.

### **2.2.3 Ongoing or planned reforms**

The government made a commitment to introduce, by the middle of 2022, ID cards with digital identification. This step will also potentially affect access to social security, as such

cards could become the most widespread and easy-to-use digital identifier and this would greatly simplify access to digitised services. To achieve this the government would need to integrate into portals providing public web services the necessary infrastructure for recognising ID cards with digital identification and install the necessary equipment at key points of connection. However, no discussions on such possible developments have yet started.

### **2.3 Suggestions for improvements**

Bulgaria has expressed a “disagreement in principle” with proposals for making certain kinds of social insurance and benefits available to the self-employed, apparently because the Bulgarian government believes that it is impossible to establish a functional link “between the damage and the work performed” (*Information on the Implementation of the Council Recommendation on Access to social protection for workers and the self-employed in Bulgaria, 2020*). The Bulgarian government believes that the formal coverage of self-employed people for accidents at work and occupational disease, even on a voluntary basis, is incompatible with the core principles of the Bulgarian insurance model. There are no further explanations in the text as to why this contradiction arises. Technological improvements and digitisation, which worked well for improving transparency and contributing to simplification, can support the verification and validation of information related to incidents at work, which is often controversial or contested even in the case of regularly employed people. It makes sense to have a more in-depth policy debate clarifying whether the objection to covering the self-employed for accidents at work and occupational disease is indeed a principled, value-driven objection or just a matter of practical challenges that can be addressed by technological solutions.

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