Employment and Employee Benefits in Bulgaria: Overview

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A Q&A guide to employment and employee benefits law in Bulgaria.

This Q&A gives a high-level overview of the key practical issues including: the scope of employment regulation; employment status; background checks; regulation of the employment relationship (including unilateral changes by an employer to the terms and conditions of employment); minimum wage and bonuses; working time, holidays and flexible working; illness and injury of employees; rights created by continuous employment; provisions for fixed-term, part-time and agency workers; discrimination and harassment; termination of employment (including protection against dismissal and protected employees); resolution of disputes between an employee and employer; redundancy/layoff; employee representation and consultation; consequences of a business transfer; employer and parent company liability; employer insolvency; employers' health and safety obligations; taxation of employment income; intellectual property; restraint of trade; and relocation of employees.

Scope of Employment Regulation

1. Do the main laws that regulate the employment relationship apply to:

- Foreign nationals working in your jurisdiction?
- Nationals of your jurisdiction working abroad?

Laws Applicable to Foreign Nationals

Foreign nationals employed by a Bulgarian employer or working in Bulgaria for a certain period of time are subject to the applicable Bulgarian labour laws, unless a specific Bulgarian law or applicable international treaty provides otherwise. Regardless of the choice of law in the employment contract, the mandatory provisions of the Bulgarian labour law will apply if they are more favourable to the foreign employee working in Bulgaria.

Laws Applicable to Nationals Working Abroad

The Bulgarian labour laws apply to Bulgarian nationals working abroad under assignment with a Bulgarian employer unless otherwise provided by law or an international treaty. The legislation of the respective country in which a Bulgarian national works will determine whether any mandatory provisions of that country's labour law should override the choice of law in the employment contract.

Employment Status

2. Does the law distinguish between different categories of worker? If so, what are the requirements to fall into each category, the material differences in entitlement to statutory employment rights and are there any maximum time periods for which each category of worker can be engaged?

Categories of Worker

Employee/worker. Bulgarian labour law governs only the provision of employees' labour to an employer. One of the main characteristics of this relationship is that the employer is the economically stronger party, with the employees being in a state of dependence on the employer. Bulgarian labour law uses the combined terminology of "workers" and "employees". Whilst the term "workers" is used to refer to employees who perform mainly physical work, and the term "employees" refers to employees who perform mainly mental work, this distinction in terminology has no legal consequence on the general application of the labour laws and the term "employee" is used collectively throughout this article. However, for the purposes of applying certain provisions of social security law, employees in Bulgaria are classified into three distinct categories of employee by the Council of Ministers (the first, second and third categories of employees), with the third category being the most common category, and the one which has the most standardised and favourable working conditions.

Independent contractor/self-employed. Other individuals who provide their services to an employer (in their capacity as a contractor, not an employer) are in a civil, contractual (rather than employment) relationship with the employer. These individuals provide their services for a specific matter and do not form part of the employer's labour force, and can include people who are:

- Self-employed.
- Freelancers.
- Registered company executives.

The relationships with these service providers are governed by the general rules of civil and commercial law, and not by labour law. As an exception, and to secure the protection of dependent employees, Bulgarian labour law provides that if a contract with an independent service provider conceals an actual employment relationship, the contract will be classified as an employment relationship with all the attendant legal consequences for the parties in this regard.

The shareholders and registered managers of a Bulgarian legal entity are not categorised as employees and are therefore governed by the provisions of civil and commercial law (and not by labour law).

Entitlement to Statutory Employment Rights

The Labour Code is the principal piece of legislation that codifies the main aspects of employment law, and it is classified into chapters that deal with the following matters (among others):

- Associations of workers and employees.
- Legal bases for the establishment of the employment relationship.
- Financial liability of the employer.
- Special protections for certain categories of employees and workers.
- Supervisory measures for compliance with the employment legislation and administrative liability.

Employment law provisions are also contained in a large number of regulations that are issued by the Council of Ministers and other authorities.

Generally, the Labour Code provides that statutory rights apply to all employees equally. However, due to the fact that the working conditions of the first and second categories of employees (as identified by the Council of Ministers) are generally considered as potentially more detrimental to the physical/mental health of those employees, these categories of employees enjoy some additional employment and social security rights (such as an entitlement to early retirement).

The Labour Code contains specific provisions that settle the obligation of the employer to treat all employees equally (for example, men and women are entitled to equal remuneration, temporary, agency and part-time employees must be treated the same as permanent and full-time employees, and so on). The Protection Against Discrimination Act is the main legislative Act governing, in detail, the equal treatment of persons in the context of the employment relationship. Employees must not be treated in a different manner on the basis of their personal characteristics (such as age, gender, racial and ethnical origin, nationality, pregnancy, the raising of children, and so on).

The statutory rights of independent service providers are governed by both civil and commercial law, the governing principle of which is contractual freedom. Therefore, these individuals do not enjoy the statutory employment rights provided under the Labour Code (for example, concerning the maximum duration of working time, protection against dismissal, holiday entitlements, and so on).

Time Periods

There is no maximum legal duration set by law for a work assignment in Bulgaria.

Background Checks

3.Are there any restrictions or prohibitions on carrying out background checks in relation to applicants?

Restrictions/Prohibitions on Conducting Background Checks

Background checks can be made and are generally conducted by requiring the applicant to produce a number of documents, which should be presented to the employer before entering into an employment contract. These documents consist of two main types:

- Legally required: the Bulgarian Ordinance No. 4 on the Documents Necessary for Execution of an Employment Agreement provides a list of legally required background documents. Some of these apply to all employees and some depend on the type of assigned work. Generally, required documents include the following:
  - medical certificate evidencing the applicant's general health status;
  - document evidencing a specific professional qualification or capacity;
  - limited personal data, needed for the identification of the employee only;
  - document evidencing work experience (if work experience is needed for the position);
  - permit from the Labour Inspectorate (if the employee is under the age of 16 or between the ages of 16 and 18).

  For some specific jobs, a criminal record certificate is also required but only if that is explicitly regulated in the legislation.
- Required by the employer: the employer can also require specific additional documents, but only if these documents relate to the performance of the job and are envisaged by law (for example, a requirement to provide a criminal record certificate for the role of an administrative assistant will not be justifiable). Further, the employer must comply with all personal data protection and anti-discrimination requirements when obtaining personal information from a potential employee. For example, an employer will violate the Protection Against Discrimination Act and can be subject to sanctions if it requests information concerning the employee's racial or ethnic origin, political, religious or philosophical convictions, sex life, and so on, without a legitimate aim. A third party cannot process the personal data of an employee or job applicant without their knowledge and prior consent, unless the data is publicly available.

Background Checks by Third Parties

The same rules as mentioned above (see above, *Restrictions/Prohibitions on Conducting Background Checks*) apply where background checks are conducted by third parties on the employer's behalf. The employer also remains primarily responsible for compliance with the applicable law in this regard.

Regulation of the Employment Relationship

4. How is the employment relationship governed and regulated?

Written Employment Contract

A written employment contract must be executed to establish a valid employment relationship. The employer must notify the National Revenue Agency (NRA) of the execution of the contract within three days of its execution. Employment can lawfully commence after this notification has been carried out, and a copy of the notification that was sent to the NRA has been provided to the employee.

A Bulgarian employment contract can be drafted in any language, provided that it contains at least the minimum content details mandated by law. However, the Bulgarian authorities controlling the working process of the respective employer can request a copy of the Bulgarian translation (if relevant). In the event of a dispute, the court will require the party referring to the contract first to make and present a Bulgarian translation of it. At a minimum, an employment contract must include details of the:

- Parties to the employment contract.
- Physical place (location) where employment will be performed (place of work performance).
- Employment position and job description.
- Date of signature and date when work is expected to commence.
- Duration of the employment (fixed term or indefinite term).
- Duration of the working day or week.
- Basic and additional employment remuneration of a permanent nature.
- Terms and conditions concerning the employment remuneration payment.
- Basic, extended, and additional annual paid leave.
- Notice period for employment termination (which must be the same duration for both parties).

Implied Terms

Certain legal consequences will apply automatically by operation of law to an employment agreement (for example, the automatic transfer of employees that applies to the new employer in the case of a transfer of undertakings). In addition, when considering redundancies, it is mandatory for an employer to select which employees are to be made redundant by selecting between employees who are in the same or similar job positions.

Collective Agreements

A collective bargaining agreement (CBA) can be concluded between employers and employees on four levels:

- The enterprise (for example, a specific factory or business).
- Sub-industry.
- Industry.
- Municipality.

The employer and the trade union organisation of employees are parties to the CBA. If the CBA is executed at sub-industry, industry or municipality level, the organisation of employers operating in the specific sub-industry, industry or municipality is a party to the agreement. The CBA is applicable to employees who participate in the trade union or accepted it explicitly through a written request (that is, through a trade union or personally, on execution of the CBA or afterwards).

If a CBA is executed at industry or sub-industry level by all the representative organisations of employers and employees operating in the specific industry or sub-industry, the Minister of Labour and Social Policy can extend the applicability of the CBA, or of specific clauses of the CBA, to the entire respective industry or sub-industry, on request of the representative organisations.

CBAs regulate certain terms of employment relations and employees' social protection that are not explicitly regulated by the law for a maximum period of two years, such as:

- Social expenses.
- Minimum employment remuneration.
- Higher amount of annual paid leave allowance.
- Additional social benefits.

The parties may agree a shorter term of validity for individual clauses.

A CBA cannot stipulate terms and conditions of employment that are less favourable for the employees than the mandatory legal requirements.

5. What are the main points to consider if an employer wants to unilaterally change the terms and conditions of employment?

There is a general prohibition on unilateral changes to the employment terms and conditions that are made by the employer, except for a few limited cases exhaustively listed in the Labour Code. The following changes can be unilaterally made by an employer under the Labour Code:

- A change to the employee's working place, provided that this is within the same enterprise of the employer and is not related to a change to the basic salary, place of work or job title of the employee.
- Unilateral remuneration increases.
- A temporary assignment to other work, provided such a change is in compliance with the employee's qualifications and health status, and is in the same or another enterprise of the employer, in the event of a change to the employer's production needs or a work stoppage.
- An allocation of work of a different character to the employee (whether or not this change complies with the employee's qualifications and health status), where the employer has compelling business reasons to make such a change.

- A posting on a business trip for not more than 30 consecutive calendar days (although such a posting cannot be made for female employees if they are pregnant, are in the course of advanced IVF treatment, or they have a child of up to three years of age).

However, following certain legislative amendments, the employer must now inform the concerned employees, in writing, of each envisaged change prior to its effective date.

Minimum Wage and Bonuses

6. Is there a national (or regional) minimum wage? Is it common to reward employees through contractual or discretionary bonuses?

Minimum Wage

The minimum monthly wage at January 2024 is BGN933 and the minimum hourly rate is BGN5.58. These minimum rates apply to everyone, irrespective of their age, industry, and experience. The Bulgarian Government usually regulates and reviews the minimum wage on an annual basis, in principle, though it may also make such amendments more or less frequently, if desired. There are no maximum salary caps or mandatory payment methods that apply to the payment of employment remuneration in Bulgaria.

In addition to the provisions concerning the minimum wage, Bulgaria also sets both minimum and maximum social security contribution thresholds. Whilst the minimum thresholds vary depending on the industry and occupation of the employee (irrespective of whether or not the employee is on the minimum wage), the maximum threshold is the same for all industries/occupations (see *Question 23*, *Social Security Contributions*).

Bonuses

The company's internal salary regulations and/or the individual employment contract must stipulate how bonuses are calculated and awarded where bonuses are paid on a regular basis. No formal requirements apply to the discretionary payment of bonuses in the private sector, although these must conform to the applicable anti-discrimination rules (see *Question 11*, *Protection from Discrimination*).

There are specific requirements applicable to additional remunerations that are provided when certain targets are achieved by employees of the state or municipality administrations (that is, for employees working in the public sector). The amount of these remunerations is capped by law and they are payable four times per year.

In all cases, bonus policies should be notified to employees in advance of the payment of any bonus, to avoid the occurrence of any potential discrimination disputes.

Working Time, Holidays and Flexible Working

7. Are there restrictions on working hours, and if so, can an employee opt out? Is there a minimum paid holiday entitlement? Is there a statutory right for employees to request to work flexibly?

Working Hours

Restrictions on working hours. The standard working time is eight hours per day over a 40-hour (five-day) week. However, the standard working time can be varied in the following situations:

- Extended working time can be permitted of up to 48 hours per week, but this cannot exceed in total over 60 working days annually (20 of which must not be consecutive).
- Reduced working time can be permitted of six or seven hours per day for minors, or for employees working in specific conditions (the specific conditions to which reduced working time applies are determined by the Council of Ministers and usually concern job positions which carry certain risks to the health of workers in those job positions).

Overtime work is strictly regulated in Bulgaria and is prohibited in ordinary circumstances. However, certain exceptions to this rule do apply. In the public sector, overtime work is only permissible on limited grounds, where the performance of the overtime work is necessary to perform urgent work which is related to state security, protection of the public order, or the prevention, management, or mitigation of the effect of a disaster. In the private sector, overtime work is only permissible for a limited time and under certain specified conditions, which can include that work cannot be completed during the standard working time, or that the work involves intensive seasonal work. Where an employer has one of the permissible grounds for overtime work, it can generally impose overtime on employees within the limitations prescribed.

The maximum duration of overtime work is generally set at 150 working hours annually (although this can be increased up to 300 working hours annually provided this is explicitly set out in an applicable collective bargaining agreement).

Employers can also introduce alternatives to the standard working time set out above (where the employer and employee agree to a schedule of work, which may result in certain working days involving a longer or shorter day than the standard working time), which can include:

- Flexible working time arrangements.
- Open-ended working time arrangements.
- Part-time working arrangements.
- Shift work.

The working time of employees can also be less than the standard working time where this is explicitly agreed in a collective bargaining agreement.

Standard working time arrangements can only be altered by an agreement between the employee and the employer (for example, for part-time work or for flexible work, if the nature of the work allows for this).

The combined working time (that is, the standard working time together with any overtime) of employees below 18 years of age cannot in any event exceed 40 hours per calendar week.

Overtime pay. An employer must pay overtime pay (at a certain premium) to an employee who works overtime hours. Overtime pay is paid at a premium rate that is based on the employee's normal hourly rate, and is paid at the following rates:

- For overtime worked on a normal business day: overtime pay is 50% more than the employee's normal hourly rate.
- For overtime worked on the employee's day off: overtime pay is 75% more than the employee's normal hourly rate.
- For overtime worked on a national holiday, or on a day that the employee should have been on annual leave: overtime pay is 100% more than the employee's normal hourly rate.

Special restrictions applicable to shift workers. Employees who perform shifts with more than four hours of night work are entitled to a reduced working time of seven hours per day and 35 hours per week. Night work is prohibited for certain categories of employees who are given a higher level of protection under the legal provisions. The following categories of employees are prohibited from carrying out night work:

- Employees who are under the age of 18 years old.
- Pregnant employees and employees in an advanced stage of IVF treatment.
- Mothers of children up to six years of age, as well as mothers raising disabled children (regardless of their age), except where they have provided their consent to such night work.
- Employees who are in receipt of occupational health rehabilitation, except where both:
    - they have provided their consent to such night work; and
    - the night work is not detrimental to their health (this must be evaluated by the medical authorities).
- Employees continuing their education while in employment, except where they have provided their consent to such night work.

Employees who are under the age of 18 years old and pregnant employees/employees in an advanced stage of IVF treatment cannot, in any circumstances, provide their consent to carry out night work.

Rest Breaks

Rest breaks during the working day. Employees are generally entitled to a daily rest break of not less than 30 minutes per working day.

Rest periods between working days. Employees are entitled to a rest period between consecutive working days of at least 12 hours. In addition, during a working week, employees are generally entitled to a weekend break, which is:

- Two consecutive days off (one of which should preferably be a Sunday), for employees working standard working time throughout the week.
- 36 hours off, for employees working part-time.

- 24 hours off, for employee working shift work.

Special provisions for night/shift work. Shift work can take the following forms:

- Mixed shift: which includes an equal amount of both daytime and night work.
- Night shift: which includes four or more hours of night work.
- Day shift: which includes less than four hours of night work.

The maximum duration of a shift cannot be more than 12 hours (and shift work cannot be worked for more than 56 hours in a working week). Additionally, an employee cannot work for two (or more) consecutive shifts.

Holiday Entitlement

Minimum paid holiday entitlement. The general minimum annual paid leave is 20 working days. Certain categories of employees benefit from a higher minimum allowance (for example, minors and employees with permanently reduced working capacity of at least 50% are entitled to a minimum of 26 working days of annual paid leave). To be entitled to annual paid leave, the employee must have a minimum of four months' service (regardless of the employer for whom that service was acquired).

The employee should use their annual paid leave (at once or in parts throughout the year) within the relevant calendar year. Where annual paid leave remains unused, the right to take that paid leave is limited by law to two years from the date the annual paid leave entitlement arose. In any event, the law allows for the payment of monetary compensation of unused annual paid leave only in the case of termination of the employment relationship.

The provision of unpaid leave is usually at the employer's discretion, unless it is explicitly provided for by law (for example, the provision of unpaid leave for parental leave and sabbatical leave are expressly provided by law). Where unpaid leave is granted by an employer, generally this will be allowed for up to 30 working days per year, as the state only recognises that an employee's length of service continues where an unpaid leave break of 30 working days or fewer is taken by an employee.

Public holidays. Public holidays are not included in the calculation of annual paid leave. Public holidays are listed in the Labour Code, must be paid in the same way as for annual leave, and usually amount to 14 days each year (though the Council of Ministers has the discretion to declare other public holidays, on a one-off basis, throughout the year). Where employees work during a public holiday, they are entitled to twice the usual amount of remuneration that they would ordinarily be paid (calculated on a daily basis).

Flexible Working

Employers are permitted to offer employees varied/flexible working hours or other flexible working arrangements, such as remote working, where the nature of their business allows for this. Such flexibility can also be requested by the employee, and any changes to the employment contract in this regard can be agreed on a temporary or permanent basis between the parties. However, the flexible working conditions provisions are entirely at the employer's discretion.

Where a flexible working request is made, in writing, by a special category of employee (that is, parents of children up to the age of eight, or employees taking care of close relatives due to serious medical conditions), and the employer does not agree to the flexible working request, the employer must provide a written refusal of the request within 14 days of its receipt. This aims to ensure that employers will at least be made to consider flexible working requests.

Illness and Injury of Employees

8. What rights do employees have to time off in the case of illness or injury? Are they entitled to sick pay during this time off? Who pays the sick pay and, if the employer, can it recover any of the cost from the government?

Entitlement to Paid Time Off

For the first two working days of sick leave, the employer pays the employee sick leave payments that equate to 70% of their average daily gross wage. The National Social Security Institute then pays for the remaining period of sick leave (this payment is called the "sickness benefit"), provided that the employee provides a medical certificate to cover the period of sick leave. The amount paid by the employer is not recoverable from the state.

An employee must usually have a length of service of at least six months (that is, six months' social security insurance history) to be eligible for the sickness benefit. However, this length of service requirement is not necessary if the sickness benefit concerns either:

- A labour accident or an illness caused by working in a particular profession.
- An employee under the age of 18.

Sickness benefits amount to either:

- 90% of the employee's average daily gross wage, where the sickness benefit is made as a result of a labour accident or an occupational illness (with the maximum amount of the total indemnity calculated on the basis of the maximum social security contribution).
- 80% of the employee's average daily gross wage, where the sickness benefit is made for any other illness/injury (with the maximum amount of the total indemnity calculated on the basis of the maximum social security contribution).

The amount of the sickness benefit is calculated based on the average daily gross wage on which social security contributions for the respective employee have been paid or are due for the period of 18 calendar months preceding the month in which the work incapacity occurred.

Sick leave can be taken for a maximum uninterrupted period of 18 months in cases where the employee has serious illness or disease. Sick leaves exceeding 18 months duration are not allowed. After an employee has been absent on sick leave for a period exceeding 18 months duration, either the employer or the employee can terminate the employment relationship without prior notice. However, where the employer terminates the employment relationship in these circumstances, that termination will be ineffective if both:

- The employer has another suitable job vacancy in its enterprise that can accommodate the employee's health condition.
- The employee has agreed to take up that suitable job vacancy.

Entitlement to Unpaid Time Off

In addition to the entitlement to paid time off for sick leave (see above, *Entitlement to Paid Time Off*), employees are usually also entitled to take short leaves (of a few days) for personal reasons or to perform public obligations or duties. These periods of leave can be unpaid or paid by the employer (depending on the terms of the employment contract and the reasons for taking the leave).

Recovery of Sick Pay from the State

Since the National Social Security Institute makes the sick leave payments after the three-day period covered by the employer, there are no provisions for an employer to recover from the state any sick leave pay it has made to an employee.

Provisions Concerning COVID-19

Employees are entitled to ordinary sick leave payments/sickness benefits if they have COVID-19. The authorities have not imposed a quarantine on COVID-19 positive individuals (or persons who have had close contact with such individuals) since the end of 2023, so payments are no longer made to individuals who are quarantining for any of those reasons.

Rights Created by Continuous Employment

9. Does a period of continuous employment create any statutory rights for employees? If an employee is transferred to a new entity, does that employee retain their period of continuous employment? If so, on what type of transfer?

Statutory Rights Created

An employee is entitled to a mandatory additional employment remuneration once their length of service and professional experience exceeds one calendar year. This includes length of service and professional experience gained both:

- With their current employer.
- In the same or in a similar position with a previous employer.

This additional remuneration amounts to at least 0.6% of the employee's basic gross monthly remuneration for each year of service and professional experience once the employee has completed one full year of employment with the employer. This additional employment remuneration must be paid for each year of service following completion of one year's service with the employer.

Consequences of a Transfer of Employee

An employee who is transferred to a new entity is automatically employed in the same or a similar position under the law, and retains their period of continuous employment with the new employer.

Fixed-Term, Part-Time and Agency Workers

10. To what extent are temporary and agency workers entitled to the same rights and benefits as permanent employees? To what extent are part-time workers entitled to the same rights and benefits as full-time workers?

Temporary Workers

Fixed-term contracts in Bulgaria are an exception to the general rule that employment contracts are concluded on an indefinite basis and the parties can generally only enter into such contracts for one of the following statutory reasons:

- Temporary, seasonal, or short-term work (in these cases, the term of the contract cannot exceed three years).
- Completion of a specifically designated task.
- Temporary replacement of a worker.
- Specific kinds of work in the field of plant-growing (which applies to registered farmers entering into one-day employment contracts only).

As an exception to the above rule, a fixed-term contract for works not falling with the statutory criteria can be concluded provided that either:

- It is concluded for a minimum fixed term of one year.
- It is concluded for less than one year because the employee specifically requests this, in writing, and the shorter term is due to one of the objective reasons explicitly listed in law.

Any failure to comply with the above requirements will automatically render the fixed-term employment contract an indefinite employment contract. This also applies if the employee continues working without the employer's written objection for five days after expiration of the fixed term and the position is vacant.

The parties can agree on a standard probation period under a fixed-term contract of up to six months, except for contracts with a term less than a year (for such short-term contracts, the maximum probation period is one month).

The applicable notice period to terminate a fixed-term contract is three months (unless the remaining term of the contract is less than three months, in which case the relevant notice period will amount to the remaining period left to run in the contract).

Employees under fixed-term employment contracts enjoy the same rights and benefits as permanent employees. It is therefore neither easier nor cheaper to terminate a fixed-term employment contract than an indefinite employment contract before the expiry of its term (although employers do benefit from the special ground for termination of a fixed-term employment contract once its term has expired). The employer is also obliged to duly inform its fixed-term employees about vacant positions for indefinite-term contracts at the enterprise.

Temporary contracts for services with independent contractors (which do not constitute employment contracts) can only be concluded where the independent contractor is registered as self-employed or enters into the contract through a legal entity. If neither of these requirements are met, the authorities can presume that the contract is in fact an indefinite employment contract, and the employer can be subject to sanctions for circumventing the provisions of Bulgarian labour law.

Agency Workers

An agency worker is an employee hired by a temporary work agency and sent to a user undertaking to either:

- Execute a specific task.
- Temporarily replace an employee.

The employment relationship arises between the agency worker and the temporary work agency. An agreement for the lease of personnel is executed between the agency and the user undertaking.

Agency workers enjoy the same rights and benefits as permanent employees. In this respect, a number of mandatory provisions and requirements apply to the employment of agency workers, the activities of the temporary work agencies and the rights and obligations of the user undertakings.

Part-Time Workers

The parties to an employment contract can agree to part-time work. Part-time workers enjoy the same rights and benefits as permanent employees, unless the law expressly provides otherwise. There is no statutory minimum duration for part-time work. However, in order to have their length of service/professional experience recognised for legal purposes, part-time workers must work for a minimum of four hours per day.

The authorities will consider a part-time employment contract as an indefinite employment contract if they discover that the part-time employee works more than their stipulated working hours and the employer has none of the grounds present that allow for the provision of overtime work.

Discrimination and Harassment

11. What protection do employees have from discrimination or harassment, and on what grounds?

Protection from Discrimination

The Protection Against Discrimination Act (PADA):

- Prohibits all forms of discrimination (both direct and indirect).
- Regulates the prevention of discrimination.
- Prescribes administrative fines and sanctions for violations of its provisions.

The PADA created a specialised state body, the Commission for Protection from Discrimination (Commission), which supervises employers and monitors compliance with the PADA.

The PADA prohibits any direct or indirect discrimination on any of the following grounds:

- Gender.
- Race.
- Nationality.
- Ethnicity.
- Citizenship.
- Origin.
- Religion or belief.
- Education.
- Convictions.
- Political affiliation.
- Personal or social status.
- Disability.
- Age.
- Sexual orientation.
- Marital status.
- Property status.
- Any other grounds established by law or an international treaty to which Bulgaria is a party.

Irrespective of whether or not an employee who has suffered discrimination has exercised their right to complain directly to the employer, they are entitled to lodge a complaint with the Commission no later than three years after the occurrence of the discrimination. If a violation of the PADA is established by the Commission, it will impose sanctions on the employer. Compensation for violations of the PADA can only be awarded to an employee by the court. No state fees are charged for proceedings before the Commission.

If the three-year period has lapsed, the employee still has the option to commence civil proceedings before the regional civil court and sue the employer for discriminatory treatment. The statutory limitation period for exercising this right is five years from the date of commencement of the discriminatory treatment. The employee can request the court to make one of the following three orders:

- Request the court to establish the fact of the violation.
- Request the court to order the employer to discontinue the violation and to restore the situation to what it was before the violation, and to refrain in the future from committing this kind of violation.
- Claim compensation for the damages suffered. There are no statutory thresholds for the amount of the compensation, which is determined by the court on a case-by-case basis.

The right to bring a civil claim before the court is also granted to trade unions and non-governmental organisations, which can sue the employer on the employee's behalf and, in certain circumstances, on their own behalf.

Protection from Harassment

Harassment is any behaviour based on discrimination and manifested physically, verbally, or otherwise, which is intended to cause or results in either:

- Harm to the individual's dignity.
- A hostile, insulting or threatening environment.

Harassment which is committed by an employee and is based on any of the grounds of discrimination (see above, *Protection from Discrimination*), including sexual harassment, can result in the employer taking disciplinary action against the harassing employee that can ultimately lead to dismissal. An employer who has received a complaint from an employee for harassment in the workplace must immediately undertake measures to:

- Perform an investigation.
- Stop the harassment.
- Impose disciplinary measures on the harassing party (if the investigations prove the harassment).

The procedures in relation to complaints and civil actions are the same as for discrimination (see above, *Protection from Discrimination*).

Termination of Employment

12. What rights do employees have when their employment or employment contract is terminated?

Notice Periods

The statutory minimum notice period that must usually be provided by an employer on termination of employment varies depending on the type of employment contract:

- Indefinite term employment contract: a minimum 30-day notice period applies (unless otherwise agreed by the parties), but in all cases the notice period cannot exceed three months.
- Fixed-term employment contract: see *Question 10*, *Temporary Workers*.

Whilst an employer must usually both provide notice and have "just cause" to terminate an employment contract, an employee can terminate an employment contract without just cause at any time simply by providing the applicable notice. The reasons that establish "just cause" for dismissal (with notice) are outlined in the Labour Code and include:

- The complete or partial closure of the employer's enterprise.
- A staff reduction based on changes to the employer's organisation.
- A decrease in the volume of work.
- A suspension of the employer's business activity for more than 15 working days.
- The employee's lack of the qualities necessary to effectively perform the work.
- The employee's lack of educational background or professional qualification required for the respective job position.
- Changes in a job position's requirements (provided that the employee does not meet the new requirements).
- The employee has reached retirement and has the right to collect a pension (through their length of service and age). However, the employee is not obliged to exercise this right.

An employee can also be dismissed for an act of gross misconduct or following disciplinary proceedings. Where an employee is dismissed for an act of gross misconduct or following a disciplinary procedure, the employer is not obliged to provide any notice period and the dismissal can take effect immediately. In addition, both an employee and an employer can terminate an employment contract without notice provided that the party initiating the termination pays a compensation to the other party in lieu of notice, as provided for by law.

Finally, there are also two options to terminate an employment contract with the mutual consent of both the employer and the employee:

- Where the parties mutually agree to terminate the employment contract without any payment of compensation.
- Where the parties mutually agree to terminate the employment contract upon the employer's initiative with the payment of compensation, the amount of which must equate to at least four months' wages of the employee (based on the employee's wages for the last month of work).

Severance Payments

The statutory severance payment that must be paid by an employer to an employee for termination of the employment contract varies depending on:

- The ground on which the contract is terminated.
- Whether or not the notice period was observed.

- In certain cases, the duration of the employment.

Severance payments can vary from one month's up to seven months' gross salary, and such payments are made to the employee during the final month of employment prior to termination. In addition to the severance payment, an employer must also include a separate payment for any unused annual paid leave owed to the employee. Both the employer and the employee can contractually agree to exceed these statutory requirements in the employment contract.

Procedural Requirements for Dismissal

If an employer initiates the termination of an employment contract, there must be strong and indisputable documentary evidence to support the termination on one of the grounds listed above (see above, *Notice Periods*). The dismissal process is initiated by the employer providing a formal written notice of the termination of employment to the employee (except for dismissals relating to the employee's misconduct or following a disciplinary procedure, where no notice is required and termination takes effect immediately). On expiry of the notice period the employer must then also formally conclude a written document which terminates the employment contract.

Irrespective of the reason for the termination of employment, the employer must notify the relevant regional office of the National Revenue Agency within seven days of the effective termination date. This notification is made by filing a standard form, which requires specific information about the termination of the employment. If the employer fails to submit the required notification within seven days, it can be subject to a fine which can range from BGN1,500 up to BGN15,000. In addition, the employer must also officially confirm specific data related to the employment (such as length of service) in the employee's labour book no later than by the termination date.

If the procedural requirements for the termination of the employment contract that apply to the particular just cause reason for the dismissal are not met, the employee can file a claim in the civil court for unlawful dismissal. If the court finds the dismissal to be unlawful, the employer may be required to both reinstate the employee and pay the employee compensation for the period of unemployment (capped at six months' salary). In addition, if the employee notified the Labour Inspectorate of the unlawful dismissal, the Labour Inspectorate can also impose monetary sanctions on the employer.

13. What protection do employees have against dismissal? Are there any specific categories of protected employees?

Protection Against Dismissal

Grounds for dismissal. An employer generally cannot terminate an employment contract without a just cause and must follow certain formal procedural requirements (see *Question 12*).

Procedural requirements for dismissal. See *Question 12*, *Procedural Requirements for Dismissal*.

Prerequisites to qualify for protection against dismissal. There are no prerequisites for an employee to qualify for protection against dismissal.

Protected Employees

The following categories of employees are categorised as protected employees who are subject to special protection from dismissal, and the employer must have one of the grounds for dismissal outlined below and obtain the Labour Inspectorate's prior approval before dismissing these employees:

- Mothers of children under the age of three years old.
- Employees who have been previously reassigned work within the employer due to medical reasons.
- Employees who suffer from certain diseases.
- Employees who have commenced a period of approved leave.
- Elected representatives of employees and employees' representatives on health and safety matters (who are protected whilst they are representatives).
- Employees who, during their period of employment, are members of:
  - special negotiation bodies;
  - European works councils;
  - representative bodies with a European commercial or co-operative company.

The employer can request an employee provides any relevant documentation evidencing that they fall into one of the categories of protected employees, and can also request that the employee sign a declaration confirming this status.

An employer must have one of the following grounds on which to dismiss a protected employee:

- Partial closure of the employer's undertaking.
- Staff reduction based on changes to the employer's organisation.
- Decrease in the volume of work.
- The employee's lack of ability to effectively perform the work.
- Changes in a job position's requirements (provided that the employee does not meet the new requirements).
- The employee has committed an act of gross misconduct or has been subject to disciplinary proceedings leading to a decision on disciplinary dismissal.

In addition to all of the above, the following rules must also be observed when dismissing the following employees:

- For employees who have previously been reassigned work within the undertaking due to medical reasons and who suffer from certain diseases, an expert opinion of a specialised labour medical commission must also be obtained before dismissal.
- Members of a trade union's leadership body at the employer's enterprise, or of a territorial, sectoral, or national elected trade union leadership body, can only be dismissed on the above grounds with the trade union's prior consent. This protection applies during the period the employee is part of the trade union's leadership body and for six months afterwards.

- Pregnant employees and employees in an advanced stage of IVF treatment can only be dismissed in a very limited number of objective circumstances (for example, on complete closure of the employer's undertaking or on the employee's refusal to relocate their employment following the undertaking's relocation).
- Employees on maternity leave can only be dismissed on a complete closure of the employer's undertaking.

Resolution of Disputes Between an Employee and Employer

14. Is there a governmental or independent organisation to which employees can refer complaints in the event that there is a dispute between the employee and the employer?

Individual labour disputes can only be settled by the Bulgarian civil courts following the special procedure set out for labour disputes. Collective labour disputes are settled through direct negotiations between employees (or their representatives) and employers under the relevant procedures set out by the employer and the employee representative organisation. If no agreement is reached or one of the parties refuses to negotiate, either party can seek assistance with mediation and/or voluntary arbitration from either:

- The relevant trade union or employee representative organisation.
- The National Institute for Conciliation and Arbitration (NICA).

The NICA is an executive agency of the Ministry of Labour and Social Policy (with its headquarters in Sofia) which can assist in the voluntary settlement of collective labour disputes.

Redundancy/Layoff

15. How are redundancies/layoffs defined, and what rules apply on redundancies/layoffs? Are there special rules relating to collective redundancies?

Definition of Redundancy/Layoff

Redundancy/layoff is defined as a decrease or future elimination by the employer of particular areas of the business, or employee roles within the business, which effectively results in the eradication of the employment positions affected by that decrease or elimination.

The employer can carry out redundancies in the following circumstances, where there is a:

- Closure of the enterprise or a part of it.
- Reduction of the number of staff.
- Reduction of the volume of work.
- Suspension of the employer's business activity for more than 15 working days.

Procedural Requirements

The process is strictly regulated and, in the case of collective redundancies, involves consultations with employees' representatives (see *Question 16, Consultation*).

The employer can select which employees to make redundant or which positions to eradicate. It is possible to dismiss employees (see *Question 12* and *Question 13*) whose positions are not made redundant in order to retain employees with better qualifications or work performance. However, the employer must exercise its selection reasonably and appropriately if the redundancy affects identical or similar job positions.

Redundancy/Layoff Pay

Employees who are made redundant are entitled, at a minimum, to receive a redundancy payment that is equal to their normal gross salary for the period during which they remain unemployed (although this payment is capped at a maximum of one month's salary). If the employee starts working for a lower salary within the first month after being made redundant, the compensation due will be the shortfall between the old and new salary for a period of one month. However, the Council of Ministers, a collective bargaining agreement or an individual employment contract can provide for greater compensation in the case of redundancy.

Collective Redundancies

The redundancy procedure is strictly regulated in the case of collective redundancies, and it involves consultations with employees' representatives and trade unions (see *Question 16, Consultation*).

Employee Representation and Consultation

16. Are employees entitled to management representation (such as on the board of directors) or to be consulted about issues that affect them? What does consultation require? Is employee consultation or consent required for major transactions (such as acquisitions, disposals or joint ventures)?

Management Representation

The general meeting of the employer's shareholders can only adopt decisions on employment and social security matters after taking into consideration the statement of the employees' representatives on the issues discussed. This is a condition precedent to the validity of these decisions.

If a company has more than 50 employees, employees must be represented at the general meeting by an individual appointed by the employees (Commercial Act). The employees' representative has consultative voting rights (that is, they can participate in the general meeting only for consultation purposes).

Consultation

Consultation with employees' representatives must be undertaken for mass redundancies/layoffs. The consultation must take place at least 45 days before the effective date of the planned redundancies. The purpose of consultation is to agree on implementing redundancies or try to reduce the number of employees affected by the measures taken. Collective redundancies are considered illegal if there is no prior consultation.

Consultation with employees or their representatives is additionally required for the:

- Adoption of measures relating to health and safety.
- Adoption of the employer's internal labour rules.

In addition, the employer must inform and, in most cases, consult with, the employees' representatives on:

- Major amendments to the activity and the economic state of the enterprise.
- The state, structure, and developments of the employees' employment (particularly if there are circumstances that may jeopardise their employment,
- The headcount of any leased personnel at the enterprise (or the mere intention to use such).
- Any possible substantial amendments to the organisation of the work (for example, the implementation of remote working or other major changes).

The law also provides special rules concerning the information and consultation duties of employers with their employees in multinational undertakings, groups of undertakings and European companies (Information and Consultation of Workers and Employees in Multinational Undertakings, Groups of Undertakings and European Companies Act).

Major Transactions

In transactions that result in a change of employer, the old and the new employer must inform the employees' representatives, at least two months in advance, about:

- The transaction and the date the transaction will close.
- The reasons for the transaction.
- The possible legal, economic and social implications of the transaction for the employees.
- The measures envisaged in relation to the employees, including measures for the fulfilment of the previous employer's obligations.

If the employers envisage measures under the last item above, they must carry out the consultation procedure with the employees' representatives within a reasonable period of time before the effective date of the transaction.

The employees' consent on the envisaged amendments to the employment relationship as a result of the transaction is not required. However, employees have the right to terminate their employment contract without serving a preliminary notice if, as a result of the transaction, the terms and conditions of the employment relationship become less favourable to the employees.

17. What remedies are available if an employer fails to comply with its consultation duties? Can employees take action to prevent any proposals going ahead?

Remedies

If the employer fails to observe the consultation procedure, a financial penalty can be imposed on the employer which can range from BGN1,500 up to BGN15,000. Additionally, the employer may also be liable under civil law if the employees initiate a civil claim based on the employer's non-compliance.

Employee Action

Employees and trade unions can notify the Labour Inspectorate of an employer's violation of the labour legislation regarding failure to consult. Any employee or trade union can also bring civil legal proceedings for violations of the labour legislation.

Consequences of a Business Transfer

18. Is there any statutory and/or common law protection of employees on a business transfer?

Automatic Transfer of Employees

Employees are automatically transferred with the business by operation of law in the following circumstances:

- Corporate reorganisations (that is, mergers, divisions or spin-offs).
- Transformations (that is, a change to the legal form of a legal entity).
- Transfer of activity (which includes a transfer of tangible assets, a lease, a tenancy or the creation of a concession of the company or a separate specified part of it).

Protection Against Dismissal

If a dismissal is made solely on the grounds of a business transfer, a court can pronounce that the dismissal constituted an illegal dismissal. Where a dismissal is pronounced illegal by a court, the employee must be reinstated to their former job position as a result of the judgment (where the employee included a request for reinstatement in their initial employment claim to the court). The employer will also be obliged to pay monetary compensation to the employee to cover the period of unemployment caused by the illegal dismissal. Finally, where no reinstatement of the employee occurs, the grounds for the dismissal must be corrected in the relevant employment documentation following the court's judgment.

Harmonisation of Employment Terms

No changes to the existing employment relationship can occur as a result of a business transfer, unless the parties under the transferred employment relationship explicitly agree to such changes and sign an annex to the relevant employment contract in this respect. In addition, employment relationships cannot be changed or terminated if a change of employer occurs as a result of the employer enterprise (or part of it) being rented, leased or created as a concession.

In cases of mergers and acquisitions or corporate transformations, the new employer is solely liable to the employees. In relation to other circumstances that lead to a change of the employer, the old and the new employers are jointly liable to the employees.

Employer and Parent Company Liability

19. Are there any circumstances in which:

- An employer can be liable for the acts of its employees?
- A parent company can be liable for the acts of a subsidiary company's employees?

Employer Liability

The employer is liable to third parties for damages caused by the actions of its employees during, or in connection with, the performance of the assigned work. The employer is also liable to pay damages to an employee (or the employee's next of kin) where an employee suffers an injury sustained in the course of employment (even where another employee has caused the injury), or contracts an occupational disease, that has caused:

- Temporary disability.
- A permanent reduction in working capacity by 50% or more.
- The death of the employee.

The employer's liability is not excluded by force majeure events, but it can be reduced where the employee has contributed to the occurrence of the damage. However, the employer will not be liable if the damage is caused as a direct result of the employee's wilful misconduct (though this rule does not apply to cases of occupational disease).

Parent Company Liability

Bulgarian labour law does not provide for parent company liability for the acts of its subsidiary's employees, unless damage is caused by a subsidiary company's employee whilst that employee is working for the parent company under circumstances such as a secondment assignment.

Employer Insolvency

20. What rights do employees have on the insolvency of their employer? Is there a state fund which guarantees repayment of certain employment debts?

Employee Rights on Insolvency

A dedicated state guarantee fund provides for the guaranteed payment of outstanding receivables which are due as a result of the employment relationship. The employees have the right to receive their due but unpaid remuneration and other employment-related compensations from this state fund (up to a certain limit, see below, *State Guarantee Fund*) provided that the employer has been actively performing its scope of business activity for at least 12 months before the insolvency declaration. All employees who have been employed by the relevant employer have the right to receive these guaranteed payments, irrespective of their working hours or the duration of their employment with that employer.

State Guarantee Fund

The state fund created under the Guaranteed Receivables of Workers and Employees on Insolvency of the Employer Act protects the claims of employees for employment-related debts when insolvency proceedings are initiated against their employer.

Employers pay monthly contributions to this state fund which directly relate to all their current employment relationships. The amount of the contribution for each employee is calculated based on the amount of the guaranteed receivables provided for by the law. The maximum amount of the guaranteed receivables is BGN2,332.50 for each employee. A temporary suspension of the employers' obligation to pay these contributions into this state fund still applies for 2024.

Health and Safety Obligations

21. What are an employer's obligations regarding the health and safety of its employees?

All employers must comply with the following mandatory requirements concerning health and safety matters:

- Organise a mandatory preliminary health check for specific categories of employees (at the employer's expense) before commencement of the employment.
- Adopt and comply with internal health and safety rules.
- Organise both an initial and periodic health and safety training and instruction for employees.
- Ensure that all employees are instructed and trained on safe working methods before starting work.
- Provide any necessary special work clothing and personal protection items, and provide any necessary anti-toxins, medications or other safety measures required for employees working in a harmful work environment.
- Participate in the joint employer and employees' bodies on health and safety matters within the enterprise (namely, the working conditions committee or the working conditions group):
  - any company which employs more than five employees must establish a working conditions committee; and
  - any company which employs more than 50 employees must establish a working conditions group.

Taxation of Employment Income

22. What is the basis of taxation of employment income for:

- Foreign nationals working in your jurisdiction?
- Nationals of your jurisdiction working abroad?

Foreign Nationals

Foreign nationals are liable for income tax on any income from sources in the Republic of Bulgaria. Income earned by an employee from their work activities which are conducted in the territory of Bulgaria is deemed Bulgarian source income and is subject to income tax in Bulgaria.

The income subject to income tax from employment activities comprises the employee's salary and any other additional benefits (in cash or in kind) provided to the individual in relation to their employment. The taxable base is formed after deducting from the gross taxable income the amount of the social security and health contributions that are paid by the employee (which are in effect deductible expenses for the purposes of calculating the taxable income).

Individuals are deemed to be local individuals (for tax purposes) who are subject to income tax, regardless of their nationality, when they fulfil any of the following criteria:

- They have a Bulgarian permanent address.
- They reside in the territory of the Republic of Bulgaria for more than 183 days during any 12-month period.
- They have been sent abroad temporarily by the Bulgarian state, or by Bulgarian enterprises (including members of such individuals' families).
- Their centre of vital interests is in Bulgaria.

Nationals Working Abroad

Generally, an individual who is classified as a Bulgarian tax resident (based on the criteria set out in the Personal Income Tax Act) will be taxed in Bulgaria on their worldwide income (including foreign source employment income derived from working abroad) (see above, *Foreign Nationals*).

However, even where there is no double tax treaty in place, a Bulgarian tax resident will be granted a unilateral tax credit for income tax paid abroad on the foreign source income that they receive, though the amount of the tax credit cannot exceed the amount of income tax that would have been due in Bulgaria (as income tax) on similar or identical income.

Where a double tax treaty is in place, the provisions of that applicable double tax treaty will override the general domestic tax legislation, and can grant tax relief in the form of a tax exemption or tax credit, depending on the provisions of the relevant double tax treaty.

23. What is the rate of taxation on employment income? Are any social security contributions or similar taxes levied on employers and/or employees?

Rate of Taxation on Employment Income

Employment income is taxed at a flat rate of 10%. On payment of the salary, the employer must withhold the personal income tax due and remit it to the National Revenue Agency on each employees' behalf.

Social Security Contributions

Mandatory social security contributions are due on the employee's gross remuneration within certain minimum and maximum limits. The minimum social security base varies according to categories of occupation. The maximum social security base for 2024, which is the same for all occupations, is capped at BGN3,750.

The social security contributions are split between the employer and employee. The most common aggregate social security rate for 2024 is 32.3%, distributed between the employer (18.52%) and the employee (13.78%). The social security contributions due by the employee are withheld by the employer from each employees' remuneration and remitted to the National Revenue Agency.

Intellectual Property (IP)

24. If employees create IP rights in the course of their employment, who owns the rights?

The employee owns the IP rights over their publications, works of art and so on created during the course of their employment, unless otherwise agreed between the parties. However, an employer is automatically entitled to the exclusive use of such publications, works of art and so on created by its employees (the employee is only entitled to be named as the author or creator of the relevant work). The employer owns the IP rights over computer programs and databases created by their employees in the course of their employment.

Restraint of Trade

25. Is it possible to restrict an employee's activities during employment and after termination? If so, in what circumstances can this be done? Must an employer continue to pay the former employee while they are subject to post-employment restrictive covenants?

Restriction of Activities

Restriction of activities during employment. An employee can enter into another employment relationship during the course of employment with another employer, unless the employment contract expressly provides otherwise. However, since 2022 any such prohibitions can only be agreed between the parties for the purposes of protecting trade secrets or to avoid conflicts of interest.

Restriction of activities after termination of employment. See below, *Post-Employment Restrictive Covenants*.

Post-Employment Restrictive Covenants

Any restrictions imposed on an employee's future employment (including any post-employment restrictive covenants) are generally invalid and unenforceable.

Relocation of Employees

26.Can employers include mobility clauses in employment contracts, or take any other measures, to ensure that employees are obliged to relocate?

Relocation

The employment contract must contain the employee's agreed place of work as part of its statutory required contents. The parties cannot agree upfront on clauses on relocation to an undefined place. It is possible for the parties to stipulate more than one place of work (including in different settlements) as well as a hybrid/remote model of work. In any case, the employer must notify the National Revenue Agency on all agreed places of work for each respective employee.

The Labour Code provides for three categories of relocation of employees:

- Relocation by mutual consent (where relocation is agreed between the employer and employee, irrespective of the reason for the relocation).
- Relocation back to the employee's place of permanent residence (where relocation occurs because the employment contract was terminated (though not through the employee's fault, such as a disciplinary dismissal) and the employee initiates the relocation back to their place of permanent residence).
- Relocation by operation of law (where relocation is imposed by operation of law, is not requested by the employee, and affects an employee working under an indefinite employment contract).

Where a relocation occurs by operation of law, there are strict rules concerning the compensation that must be paid by the employer to the employee upon relocation. In these cases, all of the following compensations must be paid to the employee affected by the relocation:

- Travel expenses for the employee and their family members affected by the relocation (spouse and dependent minors).
- Costs of transporting the employee's household items.
- Remuneration for the days spent relocating plus for two additional days.
- An amount equal to one month's remuneration for the new position must be paid to the relocating employee, together with a compensation payment equal to one quarter of one month's remuneration for the new position for each family member who is supported by the employee (spouse and dependent minors) and is relocating with the employee. These payments are only due if the relocation is:
    - for at least one year; and
    - to a place located at least 100km away from the employee's previous place of work.

These provisions concerning the compensations due on a relocation by operation of law cannot be altered by agreement between the employer and employee. This is not the case for relocations by mutual consent or relocations back to the employee's place of permanent residence, the compensation provisions of which can be agreed between the parties either in advance of the relocation in the employment contract or during the course of the relocation.

Posting/Standard Business Trip

Bulgarian law provides for two main types of business and work-related assignments of Bulgarian employees, as follows:

- A posting of employees for the provision of services, following the rules under the EU Posted Workers Directive 96/71/EC (posting in the EU). The rules for posting an employee where that employee is assigned to work in another EU or EEA member state, or in Switzerland, for a specific period of time cover the cases where:
  - the employee provides services to another independent enterprise on behalf of the employer;
  - the employee works at another enterprise that is part of the same multinational group of companies as the employer.

  For each specific posting the employer and the employee must conclude an additional agreement amending the employment relationship between them for the period of the posting and covering the posting's main terms and conditions (such as the period of posting, remuneration during the posting, allowances, expenses, and so on). During the posting, the existing employment relation is considered changed as under the terms and conditions of this additional agreement. There are also a number of other requirements for the posting to comply with the local and EU legislation (such as minimum remuneration, among other things).
- A standard business trip assignment within the country or abroad (standard business trip): the rules applicable to standard business trips concern:
  - business trips in the EU/EEA and Switzerland which do not comply with the criteria for postings; and
  - any types of work assigned within Bulgaria or abroad in a country outside the EU/EEA and Switzerland, regardless of the type of the assignment.

  On a standard business trip, the employer temporarily amends the employee's place of work unilaterally. There is no other major change to the terms and conditions of employment. An employer can therefore unilaterally send an employee on a standard business trip to another location provided that the duration of the trip does not exceed 30 days, and the employer has a justified business reason for sending the employee on the trip.

  However, the employer requires the employee's written consent to send the employee on a standard business trip that exceeds 30 days' duration. Such written consent is also required (irrespective of the duration of the trip) where the employee:
  - is pregnant; or
  - is in the advances stages of IVF treatment; or
  - is the mother of a child under the age of three years old.

The general allowances (and the minimum amounts of those allowances) payable by the employer to the employee for undertaking any standard business trip vary, depending on the type of the business trip, its destination, its duration, and so on.

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Recent Transactions

- Legal advice and assistance concerning the employment of personnel of multinational companies, including employment-related pre-transaction legal due diligence, preparing all types of employment contracts, internal rules and resolving day-to-day employment issues.
- Employment law assistance concerning a major multinational company's transfer of business and personal data protection issues.
- Closing down of a large multinational company's Bulgarian operations.
- Assisting a major multinational company establishing its business in Bulgaria on employment structure and statutory compliance.
- Advising on the Bulgarian employees' participation in the establishment and further compliance of a *Societa Europea* of a multinational company.
- Conducting corporate and employment due diligence of major multinational companies.

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Professional Associations/Memberships

- Vratsa Bar Association.
- European Employment Law Association.

- Employment Law Alliance (Primary Representative of Dinova Rusev & Partners Law Office and Co-Chair of the Communication Committee for Europe (Bulgaria)).

Publications

- *Transferring Employees on an Outsourcing in Bulgaria: Overview, Practical Law 2016.*
- *Outsourcing in Bulgaria: Overview, Practical Law 2016.*
- *Is the Bank Heavy for the Cloud, Bulgarian CIO Magazine, March 2016.*
- *The Good Managers Look for New Knowledge, New Points of View and are Open to Discussions, Karieri Magazine, May 2016.*
- *Employment Law Legal Alert, Dinova Rusev & Partners, June 2016.*
- *May Google Forget Us and How, Flash News, July 2016.*
- *Design by Default, Bulgarian CIO Magazine, August 2016.*

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- Drafting internal employment documentation, tailored to the clients' specific business needs.
- Client assistance on all phases of the employment relationship on a daily basis.
- Advising clients on employment matters in corporate restructuring, employment restructuring, employment-related pre-transaction legal due diligence and M&A structuring.
- Assisting clients on full compliance when posting employees, implementing benefits systems, share option plans, remote work and other flexible arrangements.
- Advising on the development of the employment structure of IT and communication companies.
- Advising on data protection internal systems structuring in IT, pharmaceutical and other wholesale companies.

- Advising on the business structuring and legal incorporation of temporary work agencies.
- Advising on privacy matters, including cookies and other tracing technologies on the web, in IT, pharmaceutical and other wholesale companies.

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