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THE CEE LAW FIRM

EMPLOYMENT SUPPORT SCHEME IN BULGARIA

Following several days of discussions with trade unions, employers' organizations and other stakeholders, the Bulgarian government has announced the final parameters of the local scheme aimed at the preservation of jobs in companies affected by the COVID-19 pandemic operating in the country.

The form of support remains as per the initial plan, i.e., payment by the state of 60% of the social security income of employees affected by the crisis for the period of the state of emergency (or part of it) but in any event for no longer than three months.

Payments shall be made to employers if they have:

- suspended work of the whole company or of particular employees as a result of a specific order from the public authorities on the closure of certain businesses; this applies to the list of sectors attached to the government decree introducing the scheme, e.g., certain retailers, tourism and transport businesses, restaurants, cultural and sports activities, certain education services, and the organisation of congresses and exhibitions;

or

- suspended work of the whole company or of particular employees or reduced the working hours as a result of the declared state of emergency; this applies to companies that are able to evidence a drop in revenues of 20 % or more compared to a reference period (March 2019 as a rule); this generally applies irrespective of the economic sector concerned but certain sectors are excluded, e.g., agriculture.

The requirement to retain subsidized employees for at least 3 months after the expiry of the period of support from the state has been dropped. As per the final rules adopted, the employer should retain the subsidized employees during the period of receipt of state support. Dismissal of other employees on certain grounds should not be undertaken either.

Further conditions apply. Applications and accompanying documentation should be filed to the Employment Agency by all employers interested in the measure.

Compensation shall be paid after the scheme receives the green light from the European Commission in accordance with the state aid rules. It seems though that this is not an obstacle to filing applications beforehand.

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It is worth mentioning here that support under the described scheme will not be provided for employment that is already otherwise supported through public resources.

This document reflects the status as of March 30, 2020. It is for informational purposes only and may not be considered a legal opinion or advice.

For any further information and assistance with respect to the above and any other COVID-19 related legal matters, please do not hesitate to contact us at covidhelpdesk@peterkapartners.com.