

THE OECD TAX-BENEFIT MODEL FOR BULGARIA

Description of policy rules for 2018



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Preface

The [OECD Tax-Benefit model \(TaxBEN\)](#) incorporates detailed policy rules for tax liabilities and benefit entitlements as they apply to individual families across OECD member countries. Its main use is to calculate the amount of taxes that people are liable to pay, and the government transfers they are likely to receive, in different family and labour-market situations. The model includes legal policy rules that are relevant for people of **working age** (from 18 years old until the statutory retirement age) and their dependent children. Income tax liabilities and benefit entitlements are calculated for a broad set of *stylised* families (“vignettes”, e.g. a married couple of 40 years old adults with two children aged 4 and 6 respectively). Model users are free to change many of these characteristics, including the age and number of children, activity status of adult members, hours of work, current and past earnings levels, unemployment duration, social contribution records, and housing-related costs. The model has been updated annually since the early 2000s for most OECD countries.

TaxBEN’s policy scope includes the main taxes on employment income (earnings), social contributions paid by individuals and by employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits and support for non-parental childcare are included for a sub-set of countries and years. The most important policy areas that are outside the scope of the model include taxes on wealth (e.g. taxes on immovable and unmovable properties, including local taxes), indirect taxes (e.g. VAT), early-retirement benefits, sickness benefits and in-kind transfers (e.g. free school meals, subsidised transport and free health care).

This report describes the taxes and benefits that are included in the model and focuses on the rules that are relevant for family, individual and labour-market circumstances that are within its scope. The **Annex** provides information on other cash benefits and taxes on employment incomes that can be relevant for some members of the working-age population, but which are not included in the TaxBEN model.

Reading notes and further details on the scope and content of this report

- The **reference date** for policy rules described in this report is **January 1, 2018**.
- **Guidelines for completing and updating this report** are provided [here](#).
- Further information on the model, model results, and references to reports and analytical uses is available on the [project website](#). A [methodology](#) document provides a full description of the assumptions underlying the model as well as the model choices that users can make. The symbol  in the text provides a link to a glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- In order to facilitate transparency between the policy descriptions and the associated code in the model, the variable names are indicated in the text in square brackets using the following format: **[variable name]**, for instance: **[AW]** for the average wage.

The OECD tax-benefit model for Bulgaria: Policy rules in 2018

1. Reference wages

The 2018 average wage [**AW**] is BGN 13 851.

The minimum wage [**MIN**] in 2018 is BGN 510 per month. The annual minimum wage is computed by multiplying the minimum monthly wage (as of January 1, 2018) by 12, i.e. BGN 510*12 = BGN 6 120.

2. Unemployment benefits

2.1. *Unemployment insurance* (Обезщетение за безработица)

Variable names: [**UI_p**; **UI_s**]

The **Unemployment insurance** is contributory, not means-tested and not taxable. 

2.1.1. *Eligibility conditions*

Contribution/employment history: Insurance instalments must have been made for at least 12 months out of the last 18 months.

Behavioural requirements and related Eligibility conditions:  TaxBEN assumes that the following compulsory conditions are satisfied when simulating unemployment benefits.¹

The claimants for unemployment benefit shall:

1. have registration as unemployed at the Employment Agency;
2. have not been granted a pension for insured practice and age or professional pension for early retirement;
3. do not exercise labour activity, for which they are subject to obligatory insurance².

2.1.2. *Benefit amount*

Calculation base: Rate applied to previous earnings

¹ Details on behavioural requirements and sanction provisions for unemployment benefits are reported in regularly updated companion reports, see Immervoll and Knotz (2018, forthcoming), [Langenbacher \(2015\)](#) and [Venn \(2011\)](#).

² Subject to obligatory insurance are the workers and the employees hired to work for more than five working days or 40 hours during one calendar month, regardless of the character of the work, of the way of payment and of the source of financing.

Benefit amount: The amount of unemployment cash benefit is equal to 60% of the average daily wage or the average daily insurance income whereon insurance contributions to the Unemployment Fund have been paid or are due for the period of 24 calendar months preceding the month in which insurance was terminated, and may not be less than the minimum daily amount or highest than the maximum daily amount of the unemployment benefit, set by the Law for the budget of the state public insurance in the reference year.

In 2018 the minimum daily unemployment benefit is 9.00 BGN, and the maximum daily unemployment benefit is 74.29 BGN.

2.1.3. *Benefit duration*

The maximum unemployment benefit payment period is 12 months.

The duration depends on the length of employment record as follows :

Insurance practice after 31.12.2001(years)	Period for which benefit is received (months)
up to 3	4
3 and 1 day to 7	6
7 and 1 day to 11	8
11 and 1 day to 15	10
Over 15	12

The unemployed persons, who have acquired right to pecuniary indemnification before the expiry of three years from a previous exercising of the right to indemnification for unemployment, shall receive the minimum unemployment benefit for a term of 4 months.

2.1.4. *Means test*

The Unemployment benefit is not means-tested.

2.1.5. *Tax treatment*

The benefit is not taxable.

2.1.6. *Interactions with other components of the tax-benefit system*

2.1.7. *Combining benefit receipt and employment/starting a new job*

Taking up part-time work paid less than the full-time national minimum wage may entitle individuals to 50% of their remaining unemployment insurance benefit (Re-employment allowance, Обезщетение за безработица на лица наети на непълно работно време).

3. Social assistance

Variable name: **[SA]**

3.1. *Social assistance (Социална помощ)*

This is a non-contributory benefit, means-tested and not taxable.

3.1.1. Eligibility conditions

To qualify for SA the unemployed must be registered in the territorial unit of the Employment Agency for at least 6 months before filing the application for social support and not to have refused offered job and their inclusion in qualification courses for qualification and re-qualification organised by the Employment Agency.

Monthly support is granted if the persons or the families meet the following additional conditions:

1. their own home is the only one and it is not bigger than:
 - a for one person - one-room;
 - b for two-member and three-member family - two-room;
 - c for four-member family - three-room;
 - d for five-member and larger family - four-room;
 - e for every co-habitant - one room;
2. to have not any other property, capitals or assets that might be sources of income.

The property and living conditions of individual or families are testified by means of a Social inquiry carried out by a representative of the directorate “Social Assistance”.

TaxBEN assumes that these compulsory conditions are satisfied when simulating social assistance.

Right to monthly social support in cash shall have persons or families whose income for the preceding month is lower than the determined differentiated minimal income (DMI).

Basis for determining the differentiated minimal income is the guaranteed minimal income (GMI) whose monthly amount is determined by an Act of the Council of Ministers. The level of GMI in 2018 is 75 BGN.

The differentiated minimal income is determined as follows:

1. for persons over 75 years of age, living alone – 165 percent of the GMI;
2. for persons over 65 years of age, living alone – 140 percent of the GMI;
3. for persons over 65 years of age – 100 percent of the GMI;
4. for a person, cohabiting with another person (persons) or family, and for each of the spouses living together – 66 percent of GMI;
5. for a person up to 65 years of age, living alone – 73 percent of GMI;
6. for a child till 16 years of age and if he/she studies – till graduation of secondary education, but not more than 20 years of age – 91 percent of GMI;
7. for an orphan child; for a child accommodated in a family of close friends or relatives or in a receiving family – 100 percent of GMI.
8. for a parent bringing up alone child/children:
 - a) up to 3 years of age – 120 percent of GMI;
 - b) up to 16 years of age, and if he studies – till graduating of secondary or professional education, but not more than 20 years of age – 100 percent of GMI;

In the presence of more than one of the grounds the higher extent shall be applied.

3.1.2. Benefit amount

The amount of the monthly social assistance is determined as a difference between the differentiated minimal income (DMI), or the sum of the differentiated minimal incomes, and the income of the persons or families for the preceding month.

Example: A family with two children of age less the 16 years.

The differentiated minimum income of the family (DMI_f) is calculated as sum of the individual DMI of each family member:

$$DMI_f = DMI_{p1} + DMI_{p2} + DMI_{ch1} + DMI_{ch2} = 66\%GMI + 66\%GMI + 91\%GMI + 91\%GMI,$$

Where DMI_{p1,2} is the differentiated minimum income of both parents and DMI_{ch1,2} stands for differentiated minimum incomes of both children.

Provided that the guaranteed minimum income in 2018 is 75 BGN, the DMI_f = 235.50 BGN.

To assume that the family has received an income of 100 BGN in the preceding month and provided all other requirements are met, the amount of the monthly social assistance will be:

$$SA = 235.50 \text{ BGN} - 100 \text{ BGN} = 135.50 \text{ BGN}$$

3.1.3. Benefit duration

No limitation.

3.1.4. Means test

The benefit is income tested.

The amount of the social assistance in cash depends on the gross income of the individuals for the month preceding the month of the filing of the application to the local directorate “Social support”.

Income for granting social support by the order of the Regulation for implementation of the Law on Social Support is all the gross income deriving from:

1. labour activity;
2. activity in the field of the agricultural, forest and water farms;
3. sale and/or exchange of chattel or real estates;
4. sale of stocks, shares and other participation in trade companies and other forms of joint activity;
5. rent and lease;
6. copyright and licence remuneration;
7. dividends and income from share holding;
8. bonuses and awards from sport events;
9. indemnifications and benefits;

10. pensions;
11. scholarship;
12. monthly benefits for children;
13. adjudicated alimony;
14. others

The amount of the social assistance received is not considered as income.

The income assessed in TaxBEN includes gross earnings from work, unemployment insurance, re-employment allowance and family benefits.

3.1.5. Tax treatment

The social support shall be exempt from taxes and fees.

3.1.6. Interaction with other components of the tax-benefit system

The social assistance can be received at the same time as others benefits or incomes provided that their lump sum is lower than the corresponding differentiated minimum income(s) of individuals/ families or provided the other benefits are not considered as “income”.

3.2. Social assistance for heating (целева помощ за отопление)

This is a non-contributory benefit, means-tested and not taxable.

3.2.1. Eligibility conditions

Right to receive social assistance for heating shall have persons or families whose average gross income for the preceding 6 months is lower or equal to the determined differentiated minimal income for heating (DMIH) and who meet property and unemployment registration conditions described in items 3.1.1 for social assistance.

The differentiated minimum income for heating is determined as follows for 2017/2018 and for 2018/2019 heating season:

1. for a person, living alone – 233.08% of GMI (151.50 BGN- January-March 2018; 174.81 BGN - November-December 2018);
2. for a parent bringing up alone child/children up to 18 years of age, and if he/she studies – till graduating of secondary or professional education, but not more than 20 years of age – 272.68% of GMI (177.24 BGN- January-March 2018; 204.51 BGN - November-December 2018);
3. for each of the spouses living together – 167.08% of GMI (108.60 BGN- January-March 2018; 125.31 BGN- November-December 2018);
4. for a child until 18 years of age and if he/she studies – till graduation of secondary education or professional high school but not more than 20 years of age – 180.28% of GMI (117.18 BGN- January-March 2018; 135.21 BGN- November-December 2018);
5. for a parent bringing up a child up to 3 years of age - 206.68% of GMI (134.34 BGN- January-March 2018; 155.01 BGN- November-December 2018);

6. for persons over 65 years of age, living alone – 297.88% of GMI (193.62 BGN- January-March 2018; 223.41 BGN- November-December 2018).

In the presence of more than one of the grounds the higher extent shall be applied.

Example: A family with two children of age less the 16 years.

The differentiated minimum income for heating of the family ($DMIH_f$) is calculated as sum of the individual $DMIH$ of each family member:

$$DMIH_f = DMIH_{p1} + DMIH_{p2} + DMIH_{ch1} + DMIH_{ch2},$$

$DMIH_{p1,2}$ - the differentiated minimum income for heating of both parents;

$DMIH_{ch1,2}$ - differentiated minimum incomes for heating of both children.

$$DMIH_f = 125.31BGN + 125.31BGN + 135.21BGN + 135.21BGN = 521.04 BGN$$

To assume the family has received a gross income of 2400 BGN for the preceding 6 months. It is on average 400 BGN per month which is less than the calculated $DMIH_f$ of 521.04 BGN therefore the family qualifies for SA for heating.

3.2.2. Benefit amount

The amount of the social support for heating is set in an Ordinance of the Minister of Labour and Social Policy. For 2017/2018 heating season the monthly amount of this support is 73.02 BGN and for the whole heating season (from November till March) it is 365.10 BGN. It is paid directly to heating companies, electricity companies, providers of fuel or in cash to the beneficiaries.

The amount of the benefit might be changed later depending on the price of the electric energy for private consumers.

3.2.3. Benefit duration

No limitation.

3.2.4. Means test

The benefit is income tested.

The incomes taken into account is the same as for Social assistance (see 3.1.4).

3.2.5. Tax treatment

The social support shall be exempt from taxes and fees.

3.2.6. Interaction with other components of the tax-benefit system

The social assistance can be received at the same time as others benefits or incomes provided that their lump sum is lower than the corresponding differentiated minimum income(s) of individuals/ families or provided the other benefits are not considered as “income”.

4. Family benefits

Variable name: **[FB]**

4.1. Family benefit (Месечни помощи за дете)

This is a non-contributory benefit, means-tested and not taxable.

4.1.1. Eligibility conditions

The claimant must expect a child or must have a dependent child aged less than 18 years and till completion of secondary education but not more than 20 years of age.

To qualify for family benefits, the families and the pregnant women must have average gross monthly income³ per member of the family for the last 12 months lower or equal to the income, determined for this purpose in the Law for the state budget of the Republic of Bulgaria for the respective year. From 1 January 2018, the determined average monthly income is BGN 400. When the average gross monthly income is between BGN 400 and BGN 500 the support is 80% of the amount of the allowance.

4.1.2. Benefit amount

Monthly support for a dependent child until completion of secondary education but not more than 20 years of age: an income-tested benefit.

In 2018 the amount of the allowance is determined as a total amount of allowances for the family depending on the number of children for which it is received:

1. for a family with one child - BGN 40 (80% - BGN 32);
2. for a family with two children - BGN 90 (80% - BGN 72);
3. for a family with three children - BGN 135 (80% - BGN 108);
4. for a family with four children BGN 145 (80% - BGN 116);
5. for each child in excess of four - BGN 20 (80% - BGN 16).

4.1.3. Benefit duration

No limitation.

4.1.4. Means test

The benefit is income-tested.

The income includes all gross incomes of the family from labour relationships, other economic activity, rents, pensions, social assistance, allowances and benefits for temporally disability, maternity and unemployment.

The income assessed in TaxBEN includes gross earnings from work, unemployment insurance, re-employment allowance and social assistance.

³ "Income" are all gross incomes of the family, which are taxable under the Law on the taxes on the incomes of the individuals, as well as the received pensions, indemnification, support and scholarship except the monthly supplements for children with permanent damages, the scholarships of the students up to graduation of high school but not later than rounding of 20 years of age and all kinds of family benefits.

4.1.5. *Tax treatment*

Family benefits are not taxable. They are accounted as income in the income-test for social assistance.

4.1.6. *Interaction with other components of the tax-benefit system*

The benefit can be received together in any other benefit.

4.1.7. *Combining benefit receipt and employment/starting a new job*

Employment doesn't affect benefit receipt.

4.2. ***First grade school allowance*** (*Еднократна помощ за деца записани в първи клас*)

This is a non-contributory benefit, means-tested and not taxable.

4.2.1. *Eligibility conditions*

This is a lump-sum allowance for families whose children have been registered in first year of state or municipal school, for covering part of the expenses in the beginning of the school year. To be eligible the gross income per family member (including children) should be equal or lower than BGN 450.

4.2.2. *Benefit amount*

The amount of the allowance is BGN 250.

4.2.3. *Benefit duration*

It is a one time purposed support.

4.2.4. *Means test*

The benefit is income tested.

The incomes taken into account is the same as for Family benefit (see 4.1.4).

4.2.5. *Tax treatment*

The benefit is not taxable.

4.2.6. *Interaction with other components of the tax-benefit system*

The benefit can be received together in any other benefit. It is accounted as income in the income-test for social assistance.

4.2.7. *Combining benefit receipt and employment/starting a new job*

Employment doesn't affect benefit receipt.

4.3. ***Alimony advance payment*** (*Изплащане на присъдена издръжка от държавата*)

This is a non-contributory benefit, not means-tested and non-taxable.

4.3.1. Eligibility conditions

In cases where the absent parent does not pay any child support/alimonies, the state shall pay the support when it has been adjudicated with a court decision entered into force in favor of Bulgarian citizen and is not paid regularly by the debtor in the formed executive case.

The support shall be paid by the municipality, the sum is transferred every month directly to the claimant.

4.3.2. Benefit amount

The payment is in the amount, determined by the judicial decision, but not more than the maximum amount, determined every year by the Law on the State Budget of the Republic of Bulgaria.

The maximum amount set in 2018 is 80 BGN per month.

TaxBEN assumes that maximum amount is paid to every lone parent.

4.3.3. Benefit duration

No limitation.

4.3.4. Means test

It is not means-tested.

4.3.5. Tax treatment

The benefit is not taxable.

4.3.6. Interaction with other components of the tax-benefit system

The adjudicated alimony is considered as income and is included in the means test when individuals apply for social assistance.

5. Childcare for pre-school children

The **reference date** for the policy rules described in this section is **July 1, 2018**.⁴

The nurseries implement bringing up, training and education of children from three months⁵ to three years of age and kindergartens of children from 3 till their enrolment in the first grade. Compulsory schooling starts at the age of 7. Attending of kindergarten or special classes in primary schools is obligatory for 5-year-old children (pre-primary education).

5.1. Out-of-pocket childcare fees paid by parents

Variable name: `[BGcc_cost]`

⁴ The childcare module of the tax-benefit model is updated every three year (next update: 2018).

⁵ In the weekly nurseries the minimum age is 10 months.

The fees for childcare at nurseries and kindergartens from public sector are set by local governments. The fees cover only a certain part of the childcare costs.

The fees vary for the different municipalities. Every municipality may establish differentiated fees depending on whether: it is nursery or kindergarten; it is weekly, all day or half-day nursery/kindergarten; place of residence is town or village; etc. In addition, the fee may consist of a monthly lump sum or may have a fixed subscription component and a fee per presence day.

Parents working 40 hours per week pay the commonly established fees for all day nurseries/kindergartens and cannot expect any reductions except in the cases established as exemptions by each municipality.

There is not an official statistics for the average childcare fees paid by parents. In Bulgaria in 2018 the highest are fees for full-time child care in Sofia-city municipality:

1. for weekly nurseries and kindergartens – 72 BGN per month;
2. for all day nurseries and kindergartens – 60 BGN per month.

These fees are applicable for all nurseries and kindergartens in Sofia irrespective of the age of children. 50% of the monthly fee is paid as subscription and does not depend on the children presence.

Example for exemptions established for the municipality of Sofia-city:

Free of fee payments are:

1. children with 50% and more limited possibilities for social adaptation;
2. children whose parents are with more than 71% permanently reduced working capacity;
3. children complete orphans;
4. children of parent/parents perished at industrial accident, disasters or in the discharge of their duties;
5. the third and the next children in large families.

Fee is paid with 50% reduction when:

1. children with one parent;
2. children one of whose parents is a full-time student;
3. a family has 2 children enrolled into a same or into different kindergartens, the fee for the second child is reduced by 50%;

The fee is 50% and 75% reduced respectively for the first and the second child in a large family.

The fees for private institutions, that run childcare, are established by themselves. They are vastly higher and are covered fully by parents.

Childcare fees are not tax deductible and are not taken into account when determining entitlement to means tested benefits.

5.2. Child-care benefits for formal centre-based care

Variable name: [\[cc_benefit\]](#)

There are not any special child care allowances for children using formal centre-based care.

5.3. Child care allowance for children not using child care centers

There are not any special child care allowances for children not using child care centers.

6. Social security contributions and payroll taxes

Employee's social contributions and employer's social contributions are levied on the gross income before any tax deductions.

The income for which are due social security payments shall include all the remunerations, including the accounted and non-paid or non-accounted ones and other incomes from labour activity but not less than the minimum monthly amount of the determined insurance income and not more than the maximum monthly amount of the insurance income.

The lower and upper limits of the insurance income are determined with the Law for the budget of the state public insurance for the calendar year.

The maximum monthly insurance income in 2018 is 2600 BGN. Above this threshold the amount of social security contributions remains the same irrespective of the level of employee's monthly earnings.

The minimum insurance income is differentiated by 85 groups of economic activities and 9 major occupational groups within these activities.

6.1. Social security contributions payable by employees and benefit recipients

Variable names: **[SOCSEC_p; SOCSEC_s]**

The total contribution rate payable by employees in 2018 is 13.78 %, of which:

1. Pensions – 8.78% , of which 2.2% are contributed to Universal Pension Fund but only for persons born after 31.12.1959;
2. General disease and motherhood – 1.4% ;
3. Unemployment – 0.4%;
4. Health Insurance – 3.2%.

*Example: Employee's social security contribution for monthly gross earnings of 600 BGN is $13.78\% * 600 = 82.68$ BGN*

6.2. Social security contributions payable by employers

Variable names: **[SSCR_p; SSCR_s]**

The total contribution rate payable by employers in 2018 is 19.22 %, of which:

1. Pensions – 11.02% , of which 2.8% are contributed to Universal Pension Fund but only for persons born after 31.12.1959;
2. General disease and motherhood – 2.1% ;
3. Unemployment – 0.6%;

4. Labour accident and occupational disease – 0.7% ;
5. Guaranteed receivables of workers and employees – not paid in 2018;
6. Health Insurance – 4.8%.

*Example: Employer's social security contribution for monthly gross earnings of 600 BGN is $19.22\% * 600 = 115.32$ BGN.*

7. Taxes

Taxes are paid on an individual basis.

7.1. Personal income tax

Variable name: `[INCTAX_p; INCTAX_s]`

7.1.1. Tax Relief for Children

The annual tax base for one of the parents is deducted by: 200 BGN for one minor child (till 18 years); 400 BGN for two minor children; 600 BGN for three or more minor children.

7.1.2. Tax base

Personal social security contributions are deductible from the taxable income.

Taxable income = Gross earnings – Employee's social security contributions

Example: Taxable income = 600 BGN – 82.68 BGN = 517.32 (see 6.1)

7.1.3. Income tax schedule

A flat personal income tax without a tax-free range is applied. Income tax is not differentiated according to the marital status and number of children. The personal income tax rate is 10 percent.

Annex: Other benefits and direct taxes

This section provides a brief description of other cash benefits and taxes on employment incomes in Bulgaria that are relevant for some members of the population below the statutory retirement age, but which are not included in the OECD tax-benefit model.

Housing benefits

Housing benefits are not universally available. Right to receive monthly benefit have only persons renting public (state or communal) owned accommodations, whose income for the previous month is by 250% of DMI (75BGN) and if they are: 1) orphans to 25 years of age; 2) lone persons over 70 years of age; 3) lone parents. The claimants who qualify for HB always pay part of the rent themselves and the other part is transferred from social funds to the state/commune budget.

One-time financial support at pregnancy (income-tested benefit)

The pregnant women, when they have no right to indemnification for pregnancy and birth under the Code for social insurance, shall be entitled to one-time allowance of 150 BGN.

One-time financial support at birth of a child (universally available)

The mother is entitled to one-time support for birth of a live child, regardless of the income of the family, when the child has not been left for bringing up at specialised institution for children. The level of the benefit for a birth is differentiated as follows: for a first child – 250 BGN, for a second child – 600 BGN; for a third child – 300 BGN and for the fourth and the next ones – 200 BGN.

Monthly support for bringing up of a child till one year of age (income-tested benefit)

The mother who are not insured and do not receive indemnification for pregnancy, childbirth and bringing up of child by the order of the Code for social insurance, are entitled to monthly support for bringing up of child up to one year in extent of 100 BGN.

Entitlement to benefit in case of pregnancy and child-birth (maternity)

Persons insured in respect of common disease and maternity shall have the right to cash benefits for pregnancy and childbirth instead of their earnings, provided that they have at least 12 months of insurance practice in respect of such risk. The amount of daily cash benefit shall be 90 percent of the average daily gross earnings for the period of 24 calendar months preceding the month in which the temporary incapacity to work due to pregnancy and childbirth has occurred. Duration of payment is 410 calendar days, 45 of which shall be before childbirth i.e. until the child gets one year old.

Monthly support for bringing up of a child from 1 till 2 years of age: for socially insured mothers

The amount of the monthly benefit for raising a child during the supplementary period of the paid maternity leave, lasting till the moment the child grows up to 2 years of age is 380 BGN. In case the mother returns to work she is entitled to 50% of the benefit (170 BGN).

One-time financial support for bringing up a child till one year of age by a mother – full time student

The mother – full-time student – is entitled to one-time support of 2 880 BGN for bringing up a child till one year of age, regardless of the income of the family.

Monthly allowance for children with disabilities up to 18 years of age and till completion of secondary education, provided that the child is below 20 years of age

Parents, bringing up a child with ascertained type and degree of disability or degree of permanently reduced working capacity are entitled to monthly allowance as follows:

- For 90% and more degree of disability – BGN 930;
- Between 70 and 90% - BGN 450;
- Between 50 and 70% - BGN 350.

One-time financial support for bringing up twins till one year of age

The mother shall be entitled to one-time financial support for bringing up twins till one year of age regardless of the income of the family. The amount of the benefit is 1 200 BGN per each child.

Purposed support to multiple child mothers for free travel by the railway and bus transport in the country

The multiple child mothers shall be entitled to free return travel once per year by the railway or bus transport in the country.

Tax Relief for Children with Disabilities

For bringing a child up by 50 and more than 50 percent of type and degree of injury, the annual tax base shall be reduced by 2000 BGN.

Tax Relief for Persons of Reduced Capacity for Work

The aggregate annual taxable income for persons whose capacity for work is reduced by 50% or more, this percentage being determined by way of an effective decision of a competent body, shall be decreased by 7920 BGN, this being also applicable to the year in which the reduced capacity for work occurred and the year in which the term of validity of the decision thereon expires.

The monthly taxable income from employment legal relations of persons whose capacity for work is reduced by 50% or more, shall be decreased by 660 BGN, this being also applicable to the month in which the reduced capacity for work occurred and the month in which the term of validity of the decision thereon expires.