*Translation from Bulgarian*

**DECREE NO. 151 FROM 3 July 2020**

**FOR LAYING DOWN THE TERMS AND CONDITIONS FOR PAYMENT OF WAGE SUBSIDIES FOR MAINTAINING THE EMPLOYMENT OF WORKERS AND EMPLOYEES AFTER THE PERIOD OF THE STATE OF EMERGENCY DECLARED BY A DECISION OF THE NATIONAL ASSEMBLY OF 13 MARCH 2020 AND THE EPIDEMIC EMERGENCY DECLARED BY A DECISION No. 325 AND EXTENDED WITH DECISION No 378 OF THE COUNCIL OF MINISTERS OF 2020**

THE COUNCIL OF MINISTERS

HAS DECREED AS FOLLOWS:

**Art. 1.** (1) Employers may be paid wage subsidies for maintaining the employment after the period of the state of emergency declared by a Decision of the National Assembly of 13 March 2020 and the epidemic emergency declared by Decision No. 325 and extended with Decision No. 378 of the Council of Ministers of 2020, for:

1. workers and employees, which work has been suspended during the period of the declared state of emergency or the declared epidemic emergency with an order on the basis of Article 120c of the Labour Code;
2. workers and employees who, during the state of emergency or the declared epidemic emergency, have worked part-time on the basis of Art. 138a, para. 2 of the Labour Code;
3. workers and employees who have taken leave during the period of the state of emergency or the epidemic emergency on the basis of Art. 173a of the Labour Code;
4. workers and employees whose employment has been retained after a notification of mass dismissals has been submitted pursuant to Art. 130a of the Labour Code and Art. 24 of the Employment Promotion Act during the period from 13 March to 30 June 2020;
5. workers and employees, excluding those referred in items 1-4, who are insured in sector I Accommodation and food service activities of the Classification of Economic Activities (NACE.BG-2008);

(2) The wage subsidies for maintaining the employment shall be 60 per cent of the amount of the insurable income for May 2020 and of the due social security contributions for the account of the employer for each worker or employee under para. 1, who is insured pursuant to the provisions of Art. 4, para. 1, item 1 of the Social Security Code. In case of financing of the same expenses from the European Structural and Investment Funds or from the state budget, as compensation for services assigned by the state, the total amount of the provided funds may not exceed 80 per cent of the insurable income for May 2020 and the due social security contributions for the account of the employer.

(3) The insurable income for May 2020 shall be determined as follows:

1. for persons who have days worked – the average daily insurable income shall be multiplied by the number of working days for May;

2. for persons who have used temporary disability leave, pregnancy and childbirth leave or leave for adoption of a child up to the age of 5 years throughout the whole month - the average daily income from which the compensation is determined shall be multiplied by the number of working days for May;

3. for persons who have used parental leave for bringing up a child up to the age of 2 years throughout the whole month – the minimum monthly salary for the country;

4. for persons who have used temporary disability leave, pregnancy and childbirth leave, leave for adoption a child up to the age of 5 years or leave for bringing up a child up to the age of 2 years - the average daily insurable income determined in accordance with points 2 and 3 shall be multiplied by the corresponding number of working days;

5. for persons who have been on unpaid leave throughout the whole month or are not insured under [Art. 4, para. 1, item 1 of the Social Security Code](apis://Base=NARH&DocCode=2016&ToPar=Art4_Al1_Pt1&Type=201) by this employer – the minimum monthly salary for the country.

(4) Wage subsidies for maintaining the employment shall not be paid for:

1. workers and employees under Art. 1, para 1, items 1-4 who were not in an employment relationship with the employer before 13 March 2020;

2. workers and employees, who are insured in sectors A, K, O, P (with the exception of economic activities with code 85.10 – private sector, and code 85.5), Q (without economic activities with code 86.23, code 86.90 and code 88.91 – private sector), T and U of the Classification of Economic Activities (NACE.BG-2008);

3. workers and employees who have used unpaid leave, leave for temporary disability, pregnancy and childbirth leave, leave for adoption of a child up to the age of 5 years or leave for bringing up a child up to the age of 2 years during the period of payment of the wage subsidies under para. 2;

4. workers and employees for whom the employer receives financing for remunerations and social security contributions from the state budget, with funds from the European Structural and Investment Funds or other public funds and the total amount of the funds exceeds 80 per cent of the insurable income and the due social security contributions for the account of the employer.

5. workers and employees for whom the employer receives financing for remunerations and social security contributions from the state budget under standards adopted in relation to Art. 71 of the Public Finances Act.

(5) Wage subsidies under paragraph 2 shall be paid for the whole or part of the period from 1 July to 30 September 2020.

(6) The wage subsidies shall be paid by the Unemployment Fund of the state social security and shall be transferred to the respective employer by bank transfer from the National Social Security Institute.

**Art. 2.** (1) The employer who has received wage subsidies for maintaining the employment under the Decree shall pay the workers and employees referred to in Art. 1, para. 1 remuneration in the amount not less than the amount of the insurable income for May 2020 and shall deposit the due social security contributions for the respective month.

(2) The employer who has received wage subsidies for maintaining the employment under the Decree shall pay the workers and employees referred to in Art. 1, para. 1, item 5, hired after 1 June 2020, remuneration in the amount not less than the minimum insurable income for the job position and shall deposit the due social security contributions for the respective month.

**Art. 3.** (1) For payment of wage subsidies under Art. 1 may apply employers who:

1. are local natural or legal persons or their branches, other organisational or economic entities, as well as foreign legal persons, who carry out economic activities in the Republic of Bulgaria;

2. declared a decrease in sales revenue as follows:

а) for those established before 1 June 2019 – by not less than 20 per cent in the month preceding the month of submission of the application for payment of wage subsidies, compared to the same month of the previous calendar year;

b) for those established after 1 June 2019 – by not less than 20 per cent in the month preceding the month of submission of the application for payment of wage subsidies, compared to the average revenue for January and February 2020.

3. have no liabilities for taxes and compulsory social security contributions within the meaning of Art. 162, para. 2, item 1 of the Tax and Social Insurance Procedure Code to the state or municipality before 1 January 2020, which are established by an effective act of a competent authority and for which the employer has not taken any action for rescheduling, deferral or collateral;

4. are not declared bankrupt or are not in bankruptcy or liquidation proceedings;

5. retain the employment of the workers and employees referred to in Art. 1, para 1, items 1-4 for whom they have received wage subsidies, for an additional period equal to the period for which the wage subsidies have been paid;

6. do not terminate employment contracts of their workers and employees on the basis of Art. 328, para. 1, items 2, 3 and 4 of the Labour Code during the period for which the wage subsidies are paid to them for maintaining the employment;

7. have not an infringement of Art. 61, para. 1, Art. 62, para. 1 or 3, Art. 63, para. 1 or 2, Art. 118, Art. 128, Art. 228, para. 3, Art. 245 and Art. 301-305 of the Labour Code or Art. 13, para. 1 of the Labour Migration and Labour Mobility Act, over a period of 6 months prior to the date of submission of the application for payment of the wage subsidies for maintaining the employment, for which there is an effective penal order or judgement.

(2) For payment of wage subsidies under Art. 1 may apply also certain organizationally separate structures established by the municipalities - units, municipal activities or specialized units, municipal enterprises, established pursuant to Art. 52 of the Municipal Property Act, financed as a local activity, which meet the criteria under para. 1, items 1 and 3-7 and have declared a decrease of the income from the respective activity, as follows:

1. for municipal activities opened before 1 June 2019 - by not less than 20 per cent in the month preceding the month of submission of the application for payment of wage subsidies, compared to the same month of the previous calendar year;

2. for municipal activities opened after 1 June 2019 - by not less than 20 per cent in the month preceding the month of submission of the application for payment of wage subsidies, compared to the average income for January and February 2020.

**Art. 4.** (1) The Executive Director of the Employment Agency shall issue an order to conduct the procedure for applying of employers for payment of the wage subsidies under Art. 1.

(2) Information on the terms and conditions for applying shall be published on the website of the Employment Agency and on the information boards in the Labour Office Directorates.

**Art. 5.** (1) Employers shall submit an application for payment of wage subsidies, in accordance with a model approved by the Executive Director of the Employment Agency, to the Labour Office Directorate servicing the territory at the place of work of the workers and employees. The application shall be submitted in paper form, by electronic means or by registered letter with acknowledgement of receipt through a licensed postal operator by the deadline set in the order referred to in Art. 4, para. 1.

(2) The application shall be accompanied by:

1. a certified copy of the employer's order for suspension of work under Art. 120c of the Labour Code or of the order for establishment of part-time working regime under Art. 138a, para. 2 of the Labour Code;

2. a statement of the circumstances referred to in Art. 1, para. 4, item 4 and Art. 3, para. 1, items 5 and 6;

3. a statement by the employer and documents certifying a decrease in the sales revenue under Art. 3, para. 1, item 2 or a decrease of the income of the activity under Art. 3, para. 2;

4. a list of the workers and employees referred to in Art. 1, para. 1 for whom an application for payment of wage subsidies is submitted pursuant to the Decree containing data on the persons - full name, uniform civil number or personal number, foreigner's personal number, official number from the National Revenue Agency; order number under Art. 173a of the Labour Code - for the workers and employees referred to in Art. 1, para. 1, item 3;

5. a certified copy of the annual income tax declaration for 2019 under the Corporate Income Tax Act or the Personal Income Taxes Act - for those established before 1 January 2020;

6. a statement containing information on the payment account of the employer with the International Bank Account Number (IBAN), maintained by a payment service provider licensed by the Bulgarian National Bank or by a branch of a payment service provider operating in the country.

**Art. 6.** (1) A commission appointed by an order of the Director of the Labour Office Directorate shall examine the documents referred to in Art. 5 and check the compliance with the criteria for payment of the wage subsidies for maintaining the employment within 10 working days of the submission of the application.

(2) The examination of the circumstances under Art. 1, para 1, item 4 and Art. 3, para. 1, items 1, 3, 4 and 7 shall be carried out in an official manner. The examination under Art. 1, para. 4, item 1 and 2 and Art. 3, para. 1, item 3 shall be carried out on the basis of information provided by the National Revenue Agency, and the examination under Art. 3, para. 1, item 7 - on the basis of information provided by the General Labour Inspectorate Executive Agency.

(3) The Commission shall record in a protocol the employer's compliance or non-compliance with the criteria for payment of the wage subsidies.

(4) Within the deadline under para. 1, the Director of the Labour Office Directorate shall send to the Employment Agency a list of employers who meet the criteria for payment of wage subsidies, the protocols of the Commission and the documents under Art. 5, para. 2, items 4 and 6.

(5) The Labour Office Directorate shall notify the employers of the compliance or non-compliance with the criteria for payment of wage subsidies for maintaining the employment established by the Commission, within 2 working days from the date of drawing up of the protocol.

(6) The Employment Agency shall send by electronic means to the National Social Security Institute aggregated information referred to in para. 4.

**Art. 7.** The Executive Director of the Employment Agency shall approve the model of the statements under Art. 5, para. 2, items 2, 3 and 6 and the list referred to in Art. 5, para. 2, item 4.

**Art. 8.** The employers who meet the criteria for payment of wage subsidies for maintaining the employment shall submit monthly to the Labour Office Directorate reporting documents under Art. 5, para. 1, with data for the workers and employees, for which shall be paid wage subsidies for the previous month.

**Art. 9. (1)** The Employment Agency shall send by electronic means to the National Social Security Institute aggregated information under Art. 8.

**(2)** The National Social Security Institute shall transfer monthly to the employers the wage subsidies under Art. 1, para. 2, within 10 working days of receipt of the aggregated information referred to in para. 1.

**Art. 10.** (1) An employer who has received wage subsidies for maintaining the employment pursuant to this Decree, for whom the General Labour Inspectorate Executive Agency and the National Revenue Agency have found according to their competencies that it have not fulfilled its obligations under Art. 2 and Art. 3, para. 1, items 5 and 6 or has declared incorrect data, shall reimburse in full amount the paid wage subsidies to the State social security budget.

(2) The General Labour Inspectorate Executive Agency and the National Revenue Agency shall notify the National Social Security Institute of the circumstances identified within the control activity under para. 1.

**Art. 11.** The implementation of the activities and the exchange of information between the Employment Agency and the National Social Security Institute shall be carried out under terms and conditions determined by the Governor of the National Social Security Institute and the Executive Director of the Employment Agency.

**Art. 12.** (1) The National Social Security Institute shall establish and maintain a database of employers to whom wage subsidies have been paid under this Decree.

(2) The database shall contain information about the employer, the total amount of wage subsidies paid for the respective month and the total number of workers and employees for whom they have been paid.

(3) The database shall be public, with the exception of data which constitute "personal data" within the meaning of the Personal Data Protection Act.

**Transitional and Final Provisions**

**§ 1.** The employers who have received wage subsidies pursuant to Decree No 55 of the Council of Ministers of 2020 for laying down the terms and conditions for payment of wage subsidies for maintaining the employment of workers and employees in the state of emergency declared by a Decision of the National Assembly of 13 March 2020 or the epidemic emergency on the territory of the Republic of Bulgaria declared by a Decision No 325 of the Council of Ministers of 14 May 2020 (prom. SG. 31 of 2020, amend. and supl. SG 37 and 50 of 2020), for workers and employees for whom they receive financing for remunerations and social security contributions from the state budget under standards adopted in relation to Art. 71 of the Public Finances Act shall refund the paid wage subsidies to the State social security budget within one month period from the entry into force of this Decree.

**§ 2.** The wage subsidies referred to in Art. 1 shall be paid upon receipt of a positive decision by the European Commission on the compatibility of the aid with the internal market on the basis of Art. 107 (3) (b) of the Treaty on the Functioning of the European Union.

**§ 3.** Administrator of the aid in the sense of Art. 9 of the State Aid Act is the Employment Agency.

**§ 4.** The wage subsidies shall be provided in accordance with the requirements of section 3.10 of the Temporary Framework for State Aid measures to support the economy in the current COVID-19 outbreak.

**§ 5**. The rules, conditions, procedure for control and verification regarding the provision of state aid under the terms of section 3.10 of the Temporary Framework will be described in detail in the Guidelines for applying of employers for payment of wage subsidies for maintaining employment under this Decree.

**§ 6.** The Decree is adopted on the basis of §6a of the Transitional and Final Provisions of the Public Social Insurance Budget Act for 2020 (prom. SG. 99 of 2019, amend. and supl. SG. 34 and 55 of 2020).

**§ 7.** The Executive Director of the Employment Agency and the Governor of the National Social Security Institute shall be responsible for the implementation of the Decree.

**§ 8.** (1) Control on the implementation of the Decree shall be assigned to the National Revenue Agency and the General Labour Inspectorate Executive Agency.

(2) The Employment Agency and the National Social Security Institute shall provide through an official manner information necessary for the control to the National Revenue Agency and the General Labour Inspectorate Executive Agency.

**§ 9.** This Decree shall take effect as of 1 July 2020.