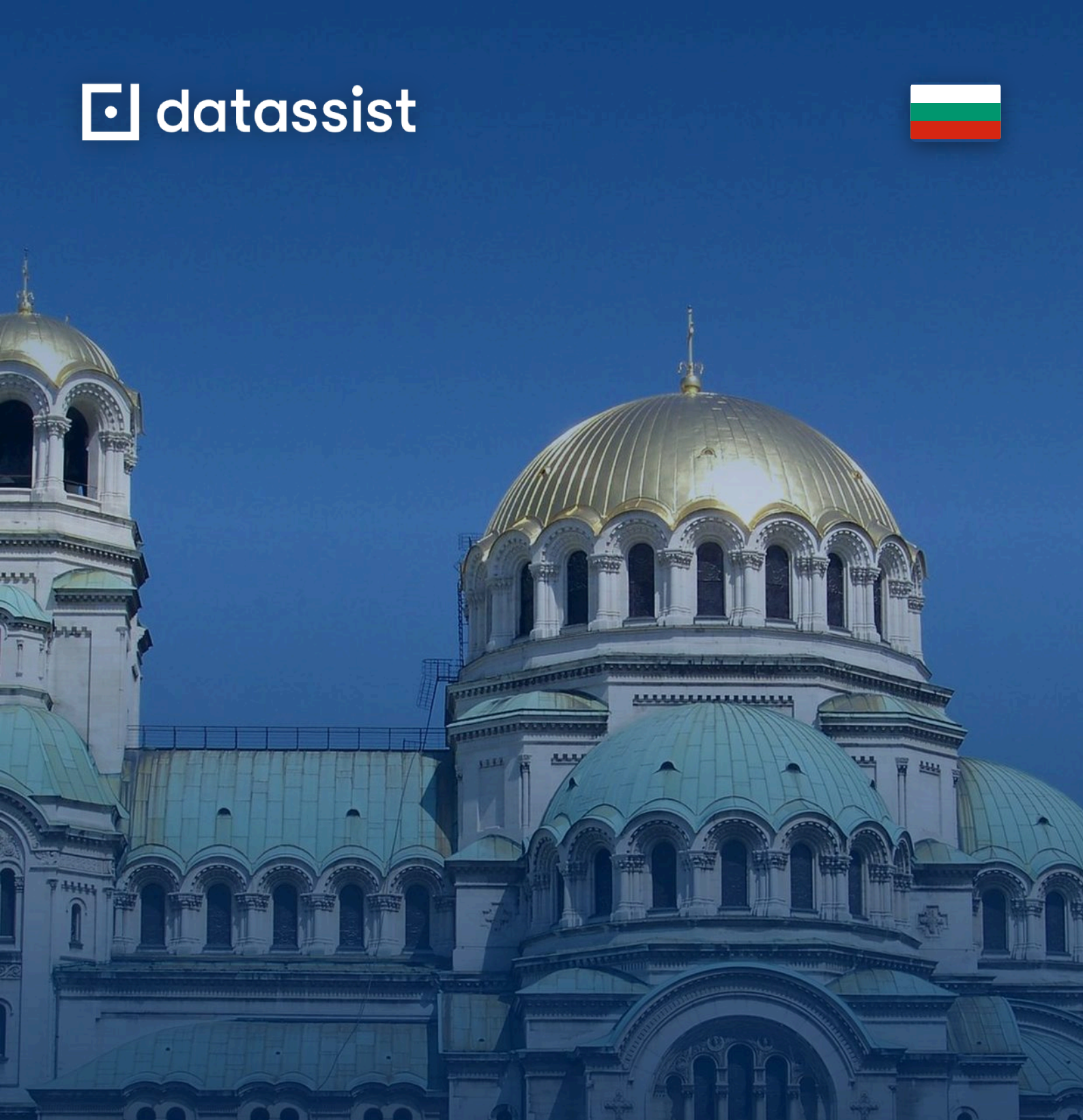
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Bulgaria

Payroll & Employment Law Guide

2026 Edition · Last updated October 30, 2026

Euro adoption, the 2026 minimum wage and social-security parameters

For general information purposes only

Overview

A reference for employing in Bulgaria

Foreign investors commonly use an OOD limited liability company or single-member EOOD. Formation is handled through the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency. The EIK company number is the core identifier for tax and social-security processes.

€620.20	40h	10%	13.78%
2026 MONTHLY MINIMUM WAGE	STANDARD WORKING WEEK	FLAT EMPLOYMENT INCOME TAX	EMPLOYEE SOCIAL AND HEALTH CONTRIBUTION

WHAT THIS GUIDE COVERS

I	**Setting Up and Doing Business**	Foreign investors commonly use an OOD limited liability company or single-member EOOD.
II	**Working Conditions and Leave Entitlements**	Normal working time is 40 hours a week and 8 hours a day.
III	**Tax and Social Security**	Employment income is generally subject to a flat 10% income tax.
IV	**Payroll Operations**	Payroll is prepared monthly.
V	**Hiring and Termination**	The employment contract must be in writing and signed before work starts.
VI	**Compensation and Benefits**	There is no general statutory 13th salary obligation in the private sector.
VII	**Visas and Work Permits**	EU, EEA and Swiss citizens have free access to the labour market.
VIII	**Practical Notes and Compliance Risks**	The main Bulgarian payroll risks in 2026 are euro conversion, the mid-year change to the maximum insurance base and the employer contribution that varies by activity risk.
IX	**Incentives and Employer Support Schemes**	The 2026 National Employment Action Plan and national programmes provide targeted support for training and hiring unemployed people.

I

Setting Up and Doing Business

Foreign investors commonly use an OOD limited liability company or single-member EOOD. Formation is handled through the Commercial Register and Register of Non-Profit Legal Entities at the Registry Agency. The EIK company number is the core identifier for tax and social-security processes.

STEP	GENERAL RULE	PRE-PAYROLL CONTROL
Incorporation	Commercial Register filing	Articles and manager
Company number	EIK registration	Legal name and address
Tax	NRA registration and access	Electronic filing authority
Social security	NRA reporting	Employee registration flow
Banking	Euro payment account	IBAN and signatories
Occupational health	Risk assessment	Health-service contract

Bulgaria adopted the euro on January 1, 2026. The fixed conversion is BGN 1.95583 for EUR 1. Employment contracts, payroll parameters, bank files and accounting balances must follow the official conversion and rounding rules.

> Verify before payroll
> EOR note: Employer status is assessed through the employment contract, power to direct work and responsibility for pay. When a temporary-work agency is used, check licensing and equal-treatment conditions separately.

II · WORKING CONDITIONS AND LEAVE ENTITLEMENTS

Normal working time is 40 hours a week and 8 hours a day. Under aggregated working-time arrangements, a shift may reach 12 hours and the workweek 56 hours. Uninterrupted daily rest is at least 12 hours and weekly rest is generally 48 hours.

II

Working Conditions and Leave Entitlements

TOPIC	2026 RULE	PAYROLL EFFECT
Standard work	40 hours/week	Match time to contract
Daily time	8 hours	Monitor shift plan
Aggregated shift	Up to 12 hours	Reference period required
Aggregated week	Up to 56 hours	Overtime control
Daily rest	At least 12 hours	Test between shifts
Weekly rest	Generally 48 hours	Document exceptions

Annual paid leave is at least 20 working days. In a first job, leave use begins after 4 months of service. Carryover and compensation for unused leave must be assessed with the leave plan and the reason for termination.

Maternity leave is 410 calendar days, including 45 days before the expected birth. If insurance conditions are met, the cash benefit is 90% of average insured income over the previous 24 months. The father may generally take 15 calendar days after birth.

III · TAX AND SOCIAL SECURITY

Employment income is generally subject to a flat 10% income tax. The tax base takes account of the employee's mandatory insurance deductions and eligible statutory reliefs.

ITEM	EMPLOYEE	EMPLOYER
Social and health contribution	13.78%	18.92%-19.62%
Combined standard range		32.70%-33.40% combined
Health insurance	3.20%	4.80%
Income tax	10%	Withholding agent

III

Tax and Social Security

The variable part of the employer rate reflects the occupational-accident and disease risk class. Do not use one rate before mapping the activity code to the correct class.

The maximum monthly insurance base is EUR 2,111.64 from January 1 to July 31, 2026 and EUR 2,300 from August 1, 2026. From January 1, 2026, the statutory monthly minimum wage is EUR 620.20 and the hourly minimum is EUR 3.74.

IV · PAYROLL OPERATIONS

Payroll is prepared monthly. The employer withholds income tax and employee contributions, adds employer contributions and submits the NRA declarations for the period. Tax and insurance payments are generally due by the 25th of the following month.

PROCESS	GENERAL TIMING	CONTROL POINT
Hiring notice	Within 3 days after contract	Give copy before work starts
Payroll calculation	Monthly	Work and leave data
Tax and contribution	25th of following month	Return and bank tie-out
Annual employer adjustment	January 31 next year	Eligible main employer test
Payslip	Each pay period	Gross, deductions and net
Record retention	By document type	Payroll and personnel file

Because of the 2026 euro adoption, retain the source BGN amount, official EUR equivalent and rounding trail during the transition. Prevent double conversion or inconsistent rounding between the contract and bank file.

> Verify before payroll
> Record principle: Keep the employment contract, NRA hiring notice, time record, monthly declarations and bank payment evidence under the same employee and period key.

V

Hiring and Termination

The employment contract must be in writing and signed before work starts. The employer reports the contract to the NRA within 3 days and gives the worker copies of the signed contract and registration notice before work begins. Probation is capped at 6 months.

TOPIC	GENERAL RULE	APPLICATION NOTE
Indefinite-term notice	30 days	Contract may set up to 3 months
Fixed-term notice	3 months	Not longer than remaining term
Probation	Up to 6 months	Identify benefiting party
Employer termination	Statutory ground	Written order and service
Unused leave	Paid at exit	Days and pay calculation
Collective redundancy	Notice and consultation	Threshold and period test

The termination ground, notice and compensation should be managed in one event file. Role elimination, reduced work, discipline and incapacity each have different statutory tests.

Protected status through pregnancy, parental leave, union office or certain health conditions can require advance permission or additional protection. Payroll calculates the final amounts but does not replace the legal termination process.

VI · COMPENSATION AND BENEFITS

There is no general statutory 13th salary obligation in the private sector. Bonuses, meals, transport, private medical insurance and other benefits may arise under the contract, internal policy or collective agreement.

VI

Compensation and Benefits

ELEMENT	GENERAL APPROACH	PAYROLL CONTROL
Base pay	Monthly or hourly	Minimum and sector floor
Overtime	Premium pay	Day and hour type
Night and holiday	Special premium	Time record and rate
Meal support	Employer plan	Tax-relief conditions
Transport	Policy or expense	Evidence and business purpose
Private insurance	Employer plan	Tax and contribution treatment

Tax-free or contribution-free treatment depends on statutory conditions, not the benefit label. Retain the invoice, eligible provider, employer policy and employee-level limit record.

VII · VISAS AND WORK PERMITS

EU, EEA and Swiss citizens have free access to the labour market. For a third-country national, the general route requires a local employer, labour-market test and combined residence and work permit.

ROUTE	CORE RULE	EMPLOYER CONTROL
EU/EEA/Swiss	No work permit	Residence and identity record
General third country	Labour-market test	Permit and contract
Large-employer ratio	Foreign workers up to 20%	Local and EU headcount
SME ratio	Foreign workers up to 35%	SME status
EU Blue Card	At least 1.5 times pay test	Qualification and pay evidence

The EU Blue Card route is not subject to the general labour-market test or the 20% or 35% employee ratio. The role, qualification, salary and permission-duration conditions must still be documented at application and renewal.

VIII

Practical Notes and Compliance Risks

The main Bulgarian payroll risks in 2026 are euro conversion, the mid-year change to the maximum insurance base and the employer contribution that varies by activity risk. Do not load the parameters as one fixed annual rate.

CONTROL	WHY IT MATTERS	SUGGESTED EVIDENCE
Currency	Fixed rate of 1.95583	Conversion and rounding trail
Contribution ceiling	Changes after July 31	Period parameter table
Risk class	Changes employer rate	Activity-code decision
Collective terms	May improve rights	Scope analysis
Time record	Shift and premium	Approved schedule
Personal data	Purpose limitation	Access and retention matrix

The pay contract, payroll, NRA return and bank payment should reconcile using the same currency and period logic. Historical BGN records should not be rewritten retrospectively.

IX · INCENTIVES AND EMPLOYER SUPPORT SCHEMES

The 2026 National Employment Action Plan and national programmes provide targeted support for training and hiring unemployed people. Eligibility varies by candidate group, region, employer status and application order.

PROGRAMME AREA	TARGET GROUP	POSSIBLE EMPLOYER SUPPORT
Career start	Young and inexperienced	Wage and training support
Long-term unemployment	Long-term registered	Temporary wage support
Disability employment	Permanently disabled	Job and adaptation support
Employment barriers	Including under 29 and over 55	Wage, contributions and transport
Parent of young child	Child under age 4	Targeted hiring support

Hiring before programme approval and candidate referral can remove support. Lock the award amount, eligible cost, retention period and state-aid limit in the application decision.



EOR & PAYROLL, HANDLED

Manage Bulgaria payroll & employment from one center with Datassist.

Euro adoption, the mid-year contribution ceiling and NRA reporting must operate within one payroll control plan. Datassist helps international employers manage Bulgarian payroll and employment processes from one center.

Schedule a Meeting →

€620.20	10%	2026
2026 MINIMUM WAGE	INCOME TAX	EURO ADOPTION

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