



GMS Flash Alert

Employment Law

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Bulgaria – Amendments to Labour Code Bring Digitalisation, New Procedures

In Bulgaria, amendments have been enacted regarding new procedures and compliance obligations for employers, with the introduction of an electronic employment record (electronic employment book) and an employment register.

The National Assembly adopted a Law on amendments and supplements to the Labour Code (the “Labour Code Amendment Law”) which was published in the State Gazette, Issue No. 85 dated 10 October 2023. The amendments will enter into force as from 1 June 2025, except for certain provisions set out below.

WHY THIS MATTERS

The changes introduce digitalisation of the employment book, which should lessen administrative burdens for employers and employees, while still using (for the time being) paper employment books.

They also provide for permanent access to electronic employment records for both the employee and employers, enhancing ease of use and transparency.

Other changes may help limit the loss of paper employment books and facilitate length-of-service calculations.

Entering Data in the Employment Register

Employers will no longer be required to submit notifications regarding the conclusion, amendment, or termination of employment contracts, but will be obliged to enter relevant data in the employment register established and maintained by the National Revenue Agency (“NRA”). The time limits for such registrations remain unchanged: within three days as from the conclusion or amendment of an employment contract, and within seven days from its termination.

The data to be submitted by employers to the employment register is described in Art. 349, Para. 1 of the Labour Code. Employers must accurately record changes to employment contracts in the employment register in a timely manner.

Among the new details to be entered into the register are the amount of the agreed paid annual leave and the days of paid annual leave already used in the year of termination of the employment contract.

The procedure and the data required for registration in the employment register shall be determined by a Regulation of the Council of Ministers to be adopted by 1 June 2024 (the “Regulation”).

Electronic Employment Register

By 1 June 2025, the NRA should establish the employment register which will contain the unified electronic employment records of employees. The initial data will be filled in ex officio on the basis of the register of employment contracts and other sources.

The format and the procedure for storing the data in the employment register, the procedure and the terms for entry of data, deletions of data, certification of circumstances, and the conditions for access to the data, will be determined by the Regulation, the adoption of which is pending.

Unified Electronic Employment Record

The electronic document replacing the paper employment book, or service book for civil servants, as from 1 June 2025, will be called the “unified electronic employment record.”

According to the changes, the unified electronic employment record is an electronic document that contains data and circumstances related to an employee’s employment and is an official certifying document. It will be a part of the new employment register.

Every employee will have full access to his/her unified electronic employment record. The employee will also have information regarding who has accessed his/her electronic employment record, and the history of such access, except in cases of access in accordance with the provisions of the Criminal Procedure Code.

Another key change is that employers will have the right to access data regarding their employees entered by previous employers, except for information on the amount of remuneration and most other elements of compensation received by the employee.

The following regulating provisions that are currently applicable are to be revoked:

- The obligation to present the employment book upon entry into an employment relationship and upon termination of said employment;
- The employer’s obligation to issue an employment book to an employee who enters into employment for the first time;
- The provisions concerning the reissuing of a lost employment book.

The liability of the employer and the responsible officials for unlawful retention of the employment book is now

transformed into liability for damages suffered by the employee due to the employer's failure to enter the relevant data regarding the termination of the employment contract into the employment register. In such cases, the employee shall be entitled to compensation in the amount of his/her gross remuneration from the date of termination of employment until the termination is entered into the employment register.

Obligation to Fill in and Complete the Employment Book

Pursuant to the Labour Code Amendment Law, employers must complete the employment books of their employees by 1 June 2026 (or upon termination of the employment relationship in the period from 1 June 2025 to 1 June 2026), which means the employer must fill in the employee's length of service, accumulated as at 1 June 2025 (in figures and words), and sign and stamp the employment book (provided that the employer has a company seal).

After its completion, the employment book is required to be returned immediately to the employee who is obliged to retain it. Paper employment books issued before the present changes enter into force will retain their character as official documents.

KPMG INSIGHTS

Although the changes will enter into force as from 1 June 2025, we recommend that employers inform their employees about the new regime, and promptly update paper employment books to reflect the facts and circumstances regarding the employment relationship that are subject to entry.

There is time for employers and employees to prepare for the changes and to put in place new procedures they will need to follow to be in compliance. If employers have any questions or need assistance regarding the interpretation and application of the amendments to the Labour Code and what next steps they should take, it is recommended that they consult with their qualified labour law professionals, or with a member of the team at KPMG in Bulgaria (see the Contacts section).

RELATED RESROUCE:

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