

National Programme 'Support for Retirement'

Information review: October 2015

BULGARIA

Ageing and unfavourable demographic trends are a threat to economic and fiscal sustainability in Bulgaria. The practice provides support to older unemployed people who lack a certain number of years or length of service to qualify for retirement and receive old-age pensions. The practice is among the most effective ALMPs in Bulgaria: the net positive effect of the practice is the second highest (40.41%).

Name of the PES

Агенция по заетостта
National Employment Agency

When was the practice implemented?

2005 – on-going

Which organisation was involved in its implementation?

Ministry of Labour and Social Policy
National Employment Agency (PES)
Employment offices
National Social Security Institute

Which social groups were targeted by the practice?

Jobseekers:
► Older jobseekers
► Registered unemployed people over the age of 50, who are missing a maximum of 5 years of service required for retirement and pension
All employers

What were the practice's main objectives?

The practice aims to increase the participation of older workers (50+) in the labour market by providing wage subsidies for employers who are willing to hire them. Subsidies are provided to employers for each unemployed person hired under the programme and are proportional to the length of employment. The amount of such subsidies is decided in the National Employment Action Plan on an annual basis.

What activities were carried out?

The key activities include:
► Selection of unemployed people fulfilling the participation requirements (e.g. number of months missing for the necessary length of service, number of months missing for the retirement age);
► Provision of subsidised full-time or part-time employment from 3 to 24 months;
► Individuals from the target group with tertiary education, better qualifications and relevant experience can be employed as consultants to assist employers in subsequent rounds of the practice.

What resources and other relevant organisational aspects were involved?

The Ministry of Labour and Social Policy is responsible for practice development and its improvement, allocation of financial resources, overall coordination and evaluation of the effectiveness of the practice.

Source(s) of funding

National budget (tax revenue)

What were the outputs of the practice: people reached and products?	<p>People reached:</p> <p>In 2007, 4 569 persons continued their employment to qualify for a pension. The number of participants in 2008 was of 4 335. In 2010 there were 1 370 participants.</p> <p>Products:</p> <p>N/A</p>
What outcomes have been identified?	<p>Between January and September 2007, 4 569 people continued their employment to qualify for a pension. Most of them started work in 2006. 370 new jobs were created in 2007 which is nearly 200 more than during the same period in 2006. 300 new people were employed and 4 078 people continued their employment in 2008. The number of participants entering into the practice fell from 4 335 to 1 370 people over the period (2008 to 2010), as was the number of jobs created (368 in 2008 to 192 in 2009; no data available for 2010).</p> <p>The practice provided support to the unemployed in order that they return to work and qualify for retirement. In 2006 it was assessed as having the second highest net positive effect (40.41%), which demonstrated the extent to which the practice increased chances of its participants finding a job.</p>
What are the lessons learnt and success factors?	<p>The evaluation of the practice included a comparison of a sample of registered unemployed and a sample of participants with the same characteristics (age, gender, education, marital status, ethnic origin, duration of unemployment). It showed that the practice increases the chances of participants finding a job. In fact, the practice is among the most effective ALMPs in Bulgaria: the net positive effect of the practice is the second highest (40.4%) surpassed only by the practice on promoting employment of young people (41.9%).</p>
More information on the practice	<p>http://ec.europa.eu/employment_social/empl_portal/weesp/BG-1.pdf</p>



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