

**PENSION ASSURANCE COMPANY  
DOVERIE AD**

**RULES OF THE OPERATION  
OF  
THE GENERAL PENSION FUND  
DOVERIE**

**SOFIA, 2022**

*\*This document represents a translation from the original Bulgarian version and is for information purposes only. In case of divergence the Bulgarian original shall prevail.*

# **RULES OF OPERATION OF THE GENERAL PENSION FUND DOVERIE**

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## DEFINITIONS OF TERMS AND CONCEPTS USED

### For the purpose of this RULES:

1. (amended - 14.05.2019, 20.07.2021, suppl. - 17.08.2021) "**Insured person**" shall be a natural person in whose name and in whose individual account contributions for supplementary life-long old-age pension have been or are being paid to the General Pension Fund Doverie under the conditions and in the manner specified in the Social Insurance Code, this RULES and the insurance contract. Insured persons are also persons for whom insurance contributions have been paid and who receive a one-off or deferred payment from General Pension Fund Doverie or from the Deferred Payment Fund Doverie.

2. (amended - 07.09.2016, 14.05.2019) "**Insurance contract**" is a contract concluded between Pension Assurance Company Doverie AD and a natural person born after 31.12.1959, who is insured for an insurable service and old-age pension under the terms and conditions of the Code on Social Insurance, has applied for participation, has applied for resumption of insurance or has applied for change of participation and for transfer of the accumulated amounts in the individual account to the General Pension Fund Doverie or has been allocated ex officio.

3. "**Social insurer**" means a natural person, a legal entity or a subdivision thereof, as well as other organisations which are obliged by law to make contributions for individuals who are insured in the General Pension Fund Doverie.

4. (amended - 14.05.2019) "**Insurance intermediary**" shall mean a natural person or a legal entity, through natural persons authorised by it, who, on the basis of a written contract concluded with Pension Assurance Company Doverie AD, is entitled, on its behalf and for its account, to conclude insurance contracts for additional compulsory pension insurance in General Pension Fund Doverie, to mediate in the conclusion of such contracts or in the conclusion of pension contracts and contracts for deferred payment of funds, to accept individual applications for participation or for resumption of insurance in General Pension Fund Doverie, for change of the participation and for transfer funds to General Pension Fund Doverie as well as other applications and request by insured persons, pensioners and other eligible persons.

5. "**Authorised person of an insurance intermediary - legal entity**" means a natural person who has the right, on behalf of and on the account of the insurance intermediary - legal entity who has authorised him/her, to carry out the activities referred to in item 4.

6. (former item 8 - 14.05.2019. amended - 20.07.2021, 17.08.2021) „**Pensioner**” means a natural person who receives a supplementary life-long old-age pension from the Fund for payment of life-long pensions Doverie.

7. (former item 9 - 14.05.2019. amended - 20.07.2021 r.) „**Supplementary lifelong old-age pension**” means a monthly payment for life to a pensioner from the Fund for payment of life-long pensions Doverie.

8. (former item 10 - 14.05.2019. amended - 20.07.2021, 17.08.2021) "**Technical interest rate**" means the interest rate that is applied in calculating the amount of pensions from the Fund for payment of life-long pensions Doverie.

9. (former item 11 - 14.05.2019, amended - 20.07.2021)

10. (former item 12 - 14.05.2019, amended - 20.07.2021)

9. (former item 14 - 26.10.2006, former item 13, amended - 14.05.2019, former item 11 - 20.07.2021) "**Custodian Bank**" is a commercial bank with which Pension Assurance Company Doverie AD has concluded a contract for custodian services and in which, in accordance with the requirements of the Social Insurance Code, holds all the assets of the General Pension Fund Doverie.

10. (new - 14.05.2019, previous clause 12 - 20.07.2021) "**Durable medium**" means an instrument which enables the person concerned to store the information addressed to him personally in a manner which is accessible for future reference and for a period of time appropriate to the purposes of the information and which enables the information stored to be

accurately reproduced.

## ABBREVIATIONS USED

**CSI** - Code on Social Insurance  
**FSC** - Financial Supervision Commission  
**NSSI** - National Social Insurance Institute  
**TEMC** - Territorial Expert Medical Commission  
**NEMC** - National Expert Medical Commission  
**NRA** - National Revenue Agency  
**AEDECS** - Act on Electronic Document and Electronic Certification Services  
**FSCA** - Financial Supervision Commission Act

**Ordinance No. 3 of 24.09.2003 of the FSC** - Ordinance No. 3 of 24.09.2003 on the procedure and method for changing participation and for transferring the accumulated funds of an insured person from one supplementary pension insurance fund to another relevant fund managed by another pension assurance company

**Ordinance No. 9 of 19.11.2003 of the FSC** - ORDINANCE No. 9 of 19.11.2003 on the manner and procedure for the valuation of the assets and liabilities of the pension assurance company and of the funds managed by it, on the value of the net assets of the funds, on the calculation and announcement of the value of a share, on the calculation and comparison of the return on investment properties and on the requirements for the maintenance of individual accounts and analytical accounts in fund for deferred payments

**Deputy Chairperson of the FSC** - the Deputy Chairperson of the Financial Supervision Commission, in charge of the Social Insurance Supervision Department.

**Ordinance No. 19 of 08.12.2004 of the FSC** - Ordinance No. 19 of 8.12.2004 on the procedure for the establishment of pension reserves by pension assurance companies managing a general pension fund and/or a fund for supplementary voluntary pension insurance

**Ordinance No. 33 of 19.09.2006 of the FSC** - Ordinance No. 33 of 19.09.2006 on individual applications for participation in a fund for supplementary compulsory pension insurance and for resumption of insurance in a general pension fund

**Ordinance on the transfer of pension rights** - ORDINANCE on the transfer of pension rights from and to the pension schemes of the European Union, the European Central Bank and the European Investment Bank

**Ordinance on the procedure for choosing insurance** - ORDINANCE on the procedure for choosing insurance, payment and distribution of compulsory social insurance contributions, contributions to the Guaranteed Employees' Receivables Fund and exchange of information

**Ordinance No. 52 of 21.10.2016 of the FSC** - Ordinance No. 52 of 21.10.2016 on the order and the procedure for deduction of the fees under art. 201, paragraph 1, item 2 and 3 and art. 256, paragraph 1, item 3 of the Social Insurance Code, levied by pension assurance companies



**Ordinance No. 61 of 27.09.2018 of the FSC** - Ordinance No. 61 of 27.09.2018 on the requirements to the advertising and written information materials and the websites of pension assurance companies

**Ordinance No. 69 of 15.06.2021 of the FSC** - Ordinance No. 69 of 15.06.2021 on the technical interest rates under art. 169, paragraph 1, item 3 and paragraph 8, item 3 of the Social Insurance Code and the formulas for calculating supplementary life-long old-age pensions

**Ordinance No. 70 of 29.06.2021 of the FSC** - Ordinance No. 70 of 29.06.2021 on the requirements for funds for making payments

## **CHAPTER ONE**

### **GENERAL**

#### **Purpose**

Art. 1. (1) (Amended This Rules shall govern the organization and activities of the supplementary compulsory pension insurance in the General Pension Fund Doverie, hereinafter referred to as the General Pension Fund.

(2) The organization and activity of the general pension fund shall be carried out in accordance with the provisions of the CSI, its implementing regulations and this Rules.

#### **Name of the general pension fund**

Art. 2. (1) The name of the general pension fund shall be "General Pension Fund Doverie.

(2) The name of the general pension fund is written in the Cyrillic alphabet in the Roman alphabet as follows:

#### **Incorporation and registration**

(Title amended - 05.05.2004)

Art. 3. (1) (Amended - 05.05.2004) The General Pension Fund is incorporated by Pension Assurance Company Doverie AD, hereinafter referred to as the Pension Assurance Company, by a decision of the Board of Directors dated 03.10.2000 (2) (amended, - 26.10.2006, 13.07.2011, 20.07.2021) The Pension Insurance Company is registered in the Sofia City Court under company case 9023 of 09.05.1994, uniform identification code under BULSTAT IO No. 831190986, is re-registered in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency with UIC No. 831190986 and holds a license for carrying out business activities in the field of supplementary pension insurance No. 01 issued by the State Agency for insurance supervision on 03.10.2000

(3) (New - 05.05.2004, amended - 26.10.2006) The General Pension Fund is registered in the Sofia City Court under company case No. 610 of 13.02.2001, unified identification code under BULSTAT 130474628, identification code in the NRA No. 012.

#### **Management and representation**

(New title - 05.05.2004)

Art. 4. (amended - 05.05.2004) The General Pension Fund shall be managed and represented in its relations with third parties by the pension assurance company.

#### **Head office and registered address**

(New title - 05.05.2004)

Art. 5. (amended - 05.05.2004, 13.07.2011) The registered office of the pension assurance company and of the general pension fund shall be in the city of Sofia, Izgrev borough, and the principal place of business shall be in the city of Sofia 1113, 13B, Tintiava Street, entrance A, 7<sup>th</sup> floor.

#### **Performance guarantees**

Art. 6. (amended - 20.07.2021) The performance of the obligations towards the insured persons, pensioners and their heirs, which arise from the law, this Rules, insurance and pension contracts and deferred payment contracts, shall be guaranteed by the assets of the pension assurance company.

## **CHAPTER TWO**

### **TERMS AND PROCEDURE FOR INSURANCE IN THE GENERAL PENSION FUND**

(title suppl. - 05.05.2004)

#### **Insurance terms**

(Title amended - 05.05.2004)

Art. 7. (amended - 05.05.2004, 10.12.2012, 17.01.2013) (1) (amended - 26.11.2015, 25.01.2016, 20.07.2021) Persons born after 31.12.1959 may be insured in the general pension fund, if they are insured in the Pensions Fund, respectively in the Pensions Fund for Persons under Article 69, of the State Social Insurance, under the conditions and in accordance with the procedure of the CSI, except for persons insured under the procedure of Article 4b of the CSI, only in the Pensions Fund, respectively in the Pensions Fund for Persons under Article 69, and the employees of the State Intelligence Agency, the Military Intelligence Service of the Ministry of Defence and the State National Security Agency.

(2) The insurance in the general pension fund shall be carried out in accordance with the provisions of the CSI, its implementing regulations, this Rules and the terms of the insurance contract.

#### **Application Form for participation**

(Title amended - 05/05/2004, 26/10/2006)

Art. 8. (amended - 05.05.2004) (1) (amended - 26.10.2006, 07.09.2016) A person for whom initially has incurred an obligation to be insured in a general pension fund, shall submit to the pension assurance company, within three months of incurring his/her obligation to be insured, an application in accordance with Annex No. 1 to Ordinance No. 33 of the FSC of 19 September 2006.

(2) (New - 11.09.2004, amended - 14.05.2019) If the application for participation is submitted on paper, the signature of the person on the first copy shall be notarized. If the application for participation is drawn up as an electronic document with a qualified electronic signature, the requirements under the AEDECS shall be complied with.

(3) (Amended - 26.10.2006, suppl. - 10.12.2012, former paragraph 2 - 11.09.2014, amended - 14.05.2019) The application for participation shall be submitted by the person at the office of the pension assurance company, through his/her insurance intermediary or as an electronic document in accordance with the provisions of the AEDECS. The pension assurance company shall assist the person in carrying out all activities related to the submission of the application for participation and provides it with up-to-date written information in accordance with Annex No. 3 to Ordinance No. 33 of 19.09.2006 of the FSC.

(4) (Amended - 26.10.2006, former paragraph 3 - 11.09.2014, amended - 14.05.2019) Where the application for participation is submitted through an insurance intermediary, the intermediary must provide the person with a document referred to in Art. 123D, paragraph 12 of the CSI, which shall legitimise him/her in the exercise of the activity of accepting applications for participation and concluding insurance contracts on behalf and for the account of the pension assurance company.

(5) (new - 26.10.2006, former paragraph 4, amended - 11.09.2014) The pension assurance company shall not accept and shall return a paper application for participation which is without notarised signature, an electronic application which is not signed with a qualified electronic signature of the insured person, as well as an application with incomplete data and/or with corrections, where as a result of these gaps and corrections the person who submitted the application cannot be identified or cannot be entered in the electronic register of applications for participation in the general pension fund, which the pension assurance company is obliged to keep, the data under art. 6, paragraph 4 of Ordinance No 33 of the FSC of 19 September 2006.

(6) (new - 10.12.2012, former paragraph 5 - 11.09.2014) The person who accepts the application for participation shall assign an entry number and date and fill in the data specified for the pension assurance company.

(7) (new - 26.10.2006, former paragraph 5, amended - 10.12.2012, former paragraph 6 - 11.09.2014) Where the application for participation is submitted on paper, the employee of the pension assurance company shall certify its acceptance with their name, position and signature, and the insurance intermediary - with their name, service number and signature, after which he/she shall immediately return the second copy of the application to the person who submitted it. The first copy shall remain with the pension assurance company and the third copy shall be sent by the 20th day of the current month to the NRA.

(8) (new - 26.10.2006, former paragraph 6, amended - 10.12.2012, former para 7 - 11.09.2014) Where the application for participation is submitted as an electronic document, an electronic copy thereof, signed with the electronic signature of the company, shall be sent to the person, at the e-mail address indicated in the electronic signature, immediately after receipt of the application at the pension assurance company, respectively - on the first working day after that date, in case of submission during non-working hours or on a non-working day, and by the 20th day of the current month it shall also be sent to the NRA.

(9) (new - 26.10.2006, former paragraph 7 - 10.12.2012, former paragraph 8 - 11.09.2014, amended - 07.09.2016) Upon receipt by the NRA, in accordance with the procedure and within the terms of Ordinance No. 33 of 19.09.2006 of the FSC, of information on invalid applications for participation and on those with identified errors, the pension assurance company shall, by letter with receipt confirmation or through an insurance intermediary - in writing against signature, within seven days of receipt of the applications from the NRA, notify the persons:

1. whose applications are invalid;
2. with returned applications due to errors and explains to them how to rectify the errors.

### **Rights and responsibilities of insurance intermediaries**

(New title - 05.05.2004, amended - 14.05.2019)

Art. 9. (1) (amended - 05.05.2004, 14.05.2019) (1) The pension assurance company may conclude contracts with insurance intermediaries - natural or legal persons. The insurance intermediary and the pension assurance company may not conclude a contract when the intermediary has already concluded a contract with another pension assurance company.

(2) Insurance intermediaries - natural persons may not authorise other persons for the insurance intermediation activity they carry out.

(3) The insurance intermediary - legal entity may not authorise a person who is authorised by another insurance intermediary - legal entity for the same activity.

(4) The employer may not act as the pension insurance intermediary for its employees.

(5) Insurance intermediaries - natural persons and persons authorised by insurance

intermediaries - legal persons, are entitled, in the name and on behalf of the pension assurance company:

1. To conclude insurance contracts;
2. to mediate upon the conclusion of insurance and pension contracts, and deferred payment contracts;
3. To accept individual applications for:
  - a) participation in the general pension fund;
  - b) resumption of insurance in the general pension fund;
  - c) change of participation and transfer of funds in the general pension fund from a relevant fund managed by another pension assurance company.
4. To accept other applications and requests from insured persons, pensioners and other eligible persons.

(6) The specific activities referred to in paragraph 6, which the respective insurance intermediary is entitled to perform, shall be determined in the contract for intermediary activity concluded between him/her and the pension assurance company.

(7) Insurance intermediaries - natural persons and persons authorised by insurance intermediaries - legal persons shall not be entitled to collect insurance contributions and make payments to insured persons, pensioners and other eligible persons.

(8) The insurance intermediaries - natural and legal persons, as well as the persons authorized by the insurance intermediaries - legal persons, shall be entered, by the Deputy Chairperson of the FSC, in the register under art. 30, paragraph 1, item 14 14 of the FCS Act.

(9) In carrying out its activity, the insurance intermediary - natural person and the person authorised by the insurance intermediary - legal person must:

1. Prove their identity by the document referred to in paragraph 11 and provide the contact details of the person concerned;
2. respect the principle of freedom of choice of general pension fund;
3. render assistance to the person applying for participation in the general pension fund or applying for change of participation and for transfer of funds to the general pension fund from a relevant fund managed by another pension assurance company and ensure that his/ her interests are not harmed;
4. explain to persons, in good faith and with due care, their rights and obligations under the insurance contracts, provide them with true and accurate information about the pension insurance company and the general pension fund, and not make promises or assumptions about the future profitability of the investment of the general pension fund;
5. protect the personal data of the insured persons by not using the information obtained for purposes not related to the exercise of rights and performance of obligations under the insurance mediation contract;
6. protect the commercial confidentiality and commercial prestige of the pension assurance company and not provide false, incomplete or misleading information about other pension assurance companies.

(10) The pension assurance company shall provide each insurance intermediary, respectively the persons authorized by insurance intermediaries - legal entities, with a document that legitimizes them in the exercise of their activity, the model of which shall be approved by the Deputy Chairperson of the FSC.

(11) The insurance intermediaries and the persons authorised by them may not disclose, to third parties, the information in their possession about the insured persons, pensioners, their heirs and the insurers, except in the cases provided for by law.

(12) The pension assurance company shall be liable, before the insured persons, pensioners and their heirs, for the actions of the insurance intermediaries and the persons authorised by them in connection with the supplementary pension insurance activity, as for its

own actions.

### **Establishment of insurance relationship**

(New title - 05.05.2004)

Art. 10. (amended - 05.05.2004) (1) (amended - 11.11.2011, 25.01.2016)

The insurance relationship with the pension assurance company shall arise from:

1. (amended - 14.05.2019) the date of conclusion of the first insurance contract with a person who has applied for participation in the general pension fund;
2. the date of a person's ex officio allocation to the general pension fund;
3. (amended - 14.05.2019) the date of transfer of the funds to the individual account of the insured person in the general pension fund from a relevant fund, managed by another pension assurance company upon change of their participation.
4. the first day of the month following the month in which a person has chosen to resume his/her insurance in the general pension fund, following its change under Article 4b of the CSI;
5. (new - 20.07.2021) the date of receipt of the first contribution for an insured person who has concluded a pension contract or a deferred payment contract under Article 67 with the pension assurance company, or who has received one-off the sum accumulated in the individual account in the cases under Article 51, who starts or continues to perform labour for which he/ she is subject to insurance in a general pension fund.

(2) (Amended - 26.10.2006) The ex officio allocation of the persons in the general pension fund shall be carried out in a manner and procedure determined by the NRA and the FSC.

### **Document for participation in the General pension fund**

(New title - 05.05.2004)

Art. 11. (amended - 05.05.2004) (1) The pension assurance company shall issue to the insured person a document certifying his/ her participation in the general pension fund.

(2) (Amended - 14.05.2019) The template of the document referred to in the preceding paragraph shall be approved by the representatives of the pension assurance company.

### **Termination of insurance**

(New title - 05.05.2004)

Art. 12. (amended - 05.05.2004) (1) The insurance in the general pension fund shall be terminated in any of the following cases:

1. In case of death of the insured person;
2. Upon conclusion of a pension contract;
3. (amended - 20.07.2021) upon conclusion of a deferred payment agreement under Art. 67;
4. (new - 20.07.2021) in the case of deferred payment of funds on the individual account of an insured person under Art. 10, paragraph 1, item 5;
5. (new - 20.07.2021) in case of a one-off payment of the accumulated funds on the individual account:
  - a) in the cases of art. 51;
  - b) to an insured person under art. 10, paragraph 1, item 5.
6. (new - 20.07.2021) in case of transfer of funds on the individual account of an insured person under Art. 10, paragraph 1, item 5, to the Fund for payment of life-long

pensions Doverie, hereinafter referred to as the Fund for payment of life-long pensions, respectively to the Fund for deferred payments Doverie, hereinafter referred to as the Fund for Deferred payments, having submitted an application under Article 72, paragraph 2, for recalculation of his/ her pension, respectively of his/ her deferred payment;

7. (amended - 11.11.2011, former item 4 - 20.07.2021) when transferring the funds on the individual account in the general pension fund to the respective fund managed by the pension assurance company to which the insured person has submitted an application for change of participation;
8. (new- 26.11.2015, amended - 25.01.2016, former item 5 - 20.07.2021) in case of a choice for change of the insurance from the general pension fund to the Pensions Fund, respectively to the Pensions for the persons under art. 69 Fund;
9. (New - 20.07.2021) in case of transfer of the funds on the individual account in the general pension fund to the pension schemes of the European Union, the European Central Bank and the European Investment Bank, under Art. 45, paragraph 1.

(2) (amended - 20.07.2021) The specific date of termination of insurance for each of the cases referred to in paragraph 1 shall be determined as follows:

1. Under paragraph 1, item 1 - the date of death;
2. (amended 17.08.2021) under paragraph 1, item 2 - from the date of conclusion of the pension contract;
3. (amended 17.08.2021) under paragraph 1, item 3 - from the date of conclusion of the contract for deferred payments;
4. under paragraph 1, item 4 - from the date of the last payment;
5. under paragraph 1, item 5 - from the date of the one-off payment or from the date referred to in Article 51, paragraph 5;
6. under paragraph 1, item 6 - from the date of transfer of the funds from the individual account to the fund for payment of life-long pensions, respectively to the fund for deferred payments;
7. under paragraph 1, item 7 - from the date of transfer of the funds to the general pension fund to which the person wishes to transfer;
8. Under paragraph 1, item 8 - from the first day of the month following the month of the choice.
9. under paragraph 1, item 9 - from the date of transfer of the funds in the individual account to the respective pension scheme of the European Union, the European Central Bank and the European Investment Bank.

### **Social insurance contributions**

(New title - 05.05.2004)

Art. 13. (amended - 25.03.2005, 11.04.2005) (1) (amended - 14.05.2019) The insurance in the general pension fund shall be carried out with contributions, the amount of which shall be 5 per cent.

(2) (Amended - 26.10.2006, 10.12.2012, former paragraph 3 - 14.05.2019)

The contributions referred to in paragraph 1 shall be transferred by the social insurers to the respective account for additional compulsory pension insurance of the competent territorial directorate of the NRA.

(3) (new - 10.12.2012, previous paragraph 4 - 14.05.2019) The contributions under paragraph 2 shall be transferred to a specialized account for additional compulsory pension insurance of the NRA, which shall, within 30 days from the date of their receipt, transfer them to the account of the general pension fund designated by the pension assurance company.

(4) (Former paragraph 5 - amended 26.10.2006, former paragraph 4 - 10.12.2012,

former paragraph 5 - 14.05.2019) The pension assurance company shall be liable to the insured persons only for the amounts of the contributions actually transferred by the NRA and credited to the account of the general pension fund.

(5) (Former paragraph 6 - 26.10.2006, amended - 13.07.2011, former paragraph 5 - 10.12.2012, former paragraph 6 - 14.05.2019) The contributions to the general pension fund shall be distributed between the social insurers and the insured persons as follows:

1. (amended 26.11.2015, effective from 01.01.2016) at the expense of the insured person - 2,2 %;
2. (amended 26.11.2015, effective from 01.01.2016) at the expense of the social insurer - 2,2 %;

(6) (Former paragraph 7 - 26.10.2006, amended - 13.07.2011, previous paragraph 7 - 14.05.2019) The self-insured persons and the persons referred to in Art. 4a, paragraph 1 of the CSI shall be insured in the general pension fund entirely at their own expense.

(7) (Former paragraph 8 - 26.10.2006, amended 13.07.2011, former paragraph 7 - 10.12.2012, previous paragraph 8 - 14.05.2019) The contributions for the general pension fund shall be paid on the income for which contributions for the state social insurance are due, except for Art. 9, paragraph 6 and 7 of the CSI.

### **Interest on the amounts of the contributions** (Title amended - 05.05.2004)

Art. 14. (amended - 05.05.2004, 26.10.2006) (1) The interest transferred by the NRA on the amounts of the contributions shall be allocated to the individual accounts of the insured persons as follows:

1. (amended - 26.10.2006) interest on bank deposits of funds from contributions, which due to lack, insufficient or erroneous information in the Personal Register of the insured persons, have not been transferred by the NRA within the statutory period - in proportion to the contributions transferred for the insured person during the period to which the interest relates;
2. (amended - 26.10.2006) the interest on the acts of deduction drawn up by the control bodies of the NRA for unpaid contributions to the general pension fund - in accordance with the personalised information provided by the NRA, for the persons to whom it applies;
3. (amended - 26.10.2006) the interest for unjustified delay of the NRA transfers of the amounts of contributions - in accordance with the personalised information provided by the NRA, for the persons to whom it applies.

(2) The amounts of interest allocated to the individual account under paragraph 1 shall be recorded as receipts, which increase the number of units in the account.

### **Tax benefits** (New title - 05.05.2004)

Art. 15. (amended - 05.05.2004) (1) (amended - 20.07.2021) The income of the general pension fund, the fund for payment of life-long pensions and the fund for deferred payments shall not be taxed under the Corporate Income Tax Act.

(2) (amended - 21.12.2006) Income from investing the assets of the general pension fund, allocated by the individual lots of the insured persons, is not subject to taxation as provided by the Law on Physical Persons Income Taxation Act.

(3) The services related to additional compulsory pension insurance are not subject to taxation according to the Value Added Tax Act.



(4) Employers' contributions for supplementary compulsory pension insurance to a general pension fund are recognised as an operating expense under the Corporate Income Tax Act.

(5) (amended 21.12.2006, 20.07.2021) The amounts received from the general pension fund, the fund for payment of life-long pensions and the fund for deferred payments shall not be subject to taxation under the Personal Income Tax Act.

## **CHAPTER THREE**

### **SOCIAL INSURANCE CONTRACT**

#### **Terms and procedure for conclusion of social insurance contract**

(Title amended - 05.05.2004)

Art. 16. (amended - 25.03.2005) (1) An insurance contract shall be concluded between the pension assurance company and a person who:

1. Has submitted individual application for participation in the general pension fund;
2. Allocated ex officio;
3. has applied for a change of participation and for the transfer of the accumulated amounts in the individual account from the relevant fund managed by another pension assurance company to the general pension fund;
4. (new- 25.01.2016, amended - 07.09.2016) has submitted application for resumption of insurance in the general pension fund after its change under art. 4B of the CSI.

(2) (amended - 07.09.2016) The conclusion of the insurance contract shall take place: (amended - 14.05.2019) at the same time as the individual application for participation is submitted;

1. at the same time as the application for resumption of insurance.

(3) An insurance contract shall be concluded with persons who are ex officio allocated if they so wish.

(4) (amended - 11.11.2011) The conclusion of the insurance contract with the persons who have applied for change of participation and for transfer of the accumulated amounts on the individual account from the relevant fund managed by another pension assurance company to the general pension fund shall be carried out simultaneously with the submission of the application within the terms, in the order and in the manner provided for in Ordinance No 3 of 24.09.2003 of the FSC and in Chapter Nine.

(5) (Amended - 11.11.2011, 07.09.2016) The contract shall enter into force:

1. from the date of its conclusion under paragraph 2, item 1;
2. from the first day of the month following the month in which the application for resumption of insurance is submitted;
3. from the date of transfer of the funds to the general pension fund, in the cases referred to in paragraph 4.

(6) The insurance contract shall regulate the relations between the pension assurance company and the insured person in the case of and in connection with the supplementary compulsory pension insurance in the general pension fund.

(7) (repealed - 14.05.2019)

#### **Contents**

(Title amended - 05.05.2004)

Art. 17. (amended 05.05.2004, 14.05.2019) The contract for insurance in the general

pension fund shall be of unlimited duration, and shall be drawn up and signed in two copies - one for each of the parties and shall contain:

1. number, the date of its conclusion and the conditions for its entry into force;
2. data about the contracting parties:
  - a) the name of the insured person according to the identity document and personal number or similar data and date of birth, for the foreign person, number, date and place of issue of the identity card or legitimation document of the foreigner (type, series, number, date and place of issue, validity period), permanent and present address;
  - (b) the name, head office, registered address, pension licence and commercial registration of the pension assurance company;
3. the name, the court registration and the unique identification code of the general pension fund, as well as its identification code with the NRA;
4. the date and reference number of the application for participation, for change of participation or for renewal of insurance, respectively the number and date of the protocol for ex officio allocation;
5. the subject matter and scope of the insurance;
6. The amount of the contribution;
7. The amount of the fees and deductions;
8. the rights and obligations of the parties to the contract and of the insured person's heirs;
9. The procedure and method to obtain information;
10. the terms, conditions, procedure and manner of amendments, supplements and termination of the contract;
11. the names on the identity document and the ex officio number in the pension assurance company of the insurance intermediary, respectively of the person authorised by the insurance intermediary - legal entity, in the cases when the contract is concluded with its intermediation.

#### **Amendments and additions to the social insurance contract**

(New title - 05.05.2004)

Art. 18. (amended - 05.05.2004) (1) Amendments and supplements to the insurance contract shall be made by a written supplementary agreement signed by the parties.

(2) (Former paragraph 3 - amended - 14.05.2019, 17.08.2021) Any statutory acts that have become effective after the insurance contract conclusion and containing imperative provisions concerning its content as well as amendments and supplements to the Rules for which notification pursuant to art. 80, paragraph 2, item 3 has been made, shall become a part of the content of the contract without any need to sign additional agreement thereto.

#### **Termination of the social insurance contract**

(New title - 05.05.2004)

Art. 19. (amended 05.05.2004) (1) The insurance contract may not be unilaterally terminated by the pension assurance company.

(2) The social insurance contract shall be terminated in the following cases:

1. (amended - 11.11.2011) in case of transfer of the funds on the individual account of the insured person in the general pension fund to a relevant fund managed by another pension assurance company, under the conditions and in accordance with the procedure of Ordinance No 3 of 24.09.2003 of the FSC and Chapter Nine;
2. In case of death of the insured person;

3. (amended - 20.07.2021) upon conclusion of a pension contract, respectively a contract for deferred payments under Art. 67;
  4. (amended - 20.07.2021) in the case of a one-off payment of the accumulated funds in the individual account of the insured person in the cases referred to in Article 51;
  5. (new - 26.11.2015) in case of a change of the insurance from the general pension fund to the Pensions Fund, respectively to the Pensions for the persons under art. 69 Fund;
  6. (New - 20.07.2021) in case of transfer of the funds on the individual account in the general pension fund to the pension schemes of the European Union, the European Central Bank and the European Investment Bank, under Art. 45, paragraph 1.
- (3) The specific date of termination of insurance for each of the cases referred to in paragraph 2 shall be determined as follows:
1. (amended - 11.11.2011) in the cases under paragraph 2, item 1, the insurance contract shall be terminated as of the date of transfer of the funds to the general pension fund managed by the pension assurance company to which the insured person has submitted an application for change of participation, in the order, manner and within the terms provided for in Ordinance No 3 of 24.09.2003 of the FSC and in Chapter Nine;
  2. in the cases referred to in paragraph 2, item 2, the insurance contract shall be terminated from the date of death;
  3. (amended - 20.07.2021, 17.08.2021) in the cases referred to in paragraph 2, item 3, the insurance contract shall be terminated as of the date of conclusion of the pension contract, respectively of the deferred payment contract under Article 67;
  4. in the cases referred to in paragraph 2, item 4, the insurance contract shall be terminated from the date under art. 51, paragraph 5;
  5. (new - 26.11.2015) in the cases referred to in paragraph 2, item 5, the insurance contract shall be terminated as of the first day of the month following the month in which the person chose to be insured only in the Pension Fund, respectively the Pensions for the Persons under Article 69 Fund;
  6. (new - 20.07.2021) in the cases referred to in paragraph 2, point 6, the insurance contract shall be terminated as of the date of transfer of the funds on the individual account in the general pension fund to the respective pension scheme of the European Union, the European Central Bank and the European Investment Bank.

## **CHAPTER FOUR**

### **INDIVIDUAL ACCOUNT** (Title amended - 05.05.2004)

#### **General requirements** (Title amended - 05.05.2004)

Art. 20. (amended 05.05.2004) (1) (new - 08.07.2019) The individual account of each insured person in the general pension fund shall be credited and accumulated as of the date of their receipt in the account of the fund:

1. contributions to the supplementary compulsory pension insurance in general pension fund and the interest paid on them;
2. funds transferred from a general pension fund managed by another pension assurance company;
3. Funds transferred from the State Fund for Guaranteeing the sustainability of the state

pension system

(2) (previous paragraph 1 - 08.07.2019) Each insured person shall have only one individual account in the general pension fund.

(3) (amended 14.05.2019, former paragraph 2 - 08.07.2019) The individual account shall contain records of the contributions made and other funds credited to it, the amounts paid and transferred, as well as the fees and deductions collected.

(4) (former paragraph 3 - 08.07.2019) No reallocation of funds and units between individual accounts shall be allowed.

(5) (former paragraph 4 - 08.07.2019) The accumulated funds in the individual account of the insured persons shall not be subject to enforcement.

### **Opening and closing** (Title amended - 05.05.2004)

Art. 21. (amended - 05.05.2004) (1) The individual account in the general pension fund shall be opened on the date of establishment of the insurance relationship under art. 10, paragraph 1.

(2) (amended - 20.07.2021) The individual account shall be closed upon:

1. transfer of the funds on the account from the general pension fund to a corresponding fund managed by another pension assurance company, under the conditions and in accordance with the procedure of Chapter Nine;
2. depletion of the funds in the account due to their deferred payment to:
  - a) an insured person under art. 10, paragraph 1, item 5;
  - b) heirs of the insured person.
3. one-off payment of the funds on the account to: a) insured person in the cases of art. 51;  
b) an insured person referred to in Article 10, paragraph 1, item 5; c) heirs of an insured person.
4. the transfer of the funds in the account to the fund for the payment of life-long pensions in the cases referred to in article 48, paragraph 2;
5. information received from the NRA about an application submitted under Article 4, paragraph 5 of the Ordinance on the procedure for choosing insurance;
6. concluding a pension contract and transferring the funds in the account to the fund for the payment of life-long pensions;
7. concluding a deferred payment contract under article 67 and transferring the funds from the account to the deferred payments fund;
8. transfer of the funds from the account in the fund for payment of life-long pensions, respectively in the fund for deferred payments, to an insured person under Art. 10, paragraph 1, item 5, who has submitted an application under Article 72, paragraph 2 for recalculation of his/ her pension or deferred payment;
9. transfer of the funds from the account of the general pension fund to the pension schemes of the European Union, the European Central Bank and the European Investment Bank, under Art. 45, paragraph 1.

(3) (amended - 20.07.2021) The specific date on which the individual account referred to in paragraph 2 shall be closed shall be as follows:

1. In the cases of paragraph 2, item 1 - from the date of transfer of the funds from the account to the general pension fund to which the person has been transferred;
2. In the cases of paragraph 2, item 2 - from the date of the last payment;
3. In the cases of paragraph 2, item 3 - from the date of the one-off payment or from the date referred to in Article 51, paragraph 5;

4. In the cases of paragraph 2, item 4 - from the date of transfer of the funds from the account to the fund for payment of life-long pensions;
  5. in the cases referred to in paragraph 2, item 5 - on the first day, respectively, of the first working day of the month following the month of submission of the application referred to in Article 4, paragraph 5 of the Ordinance on the procedure for choosing the insurance;
  6. (amended - 17.08.2021) in the cases of paragraph 2, item 6 - the date of conclusion of the pension contract;
  7. (amended - 17.08.2021) in the cases of paragraph 2, item 7 - the date of conclusion of the contract for deferred payment;
  8. In the cases of paragraph 2, item 8 - from the date of transfer of the funds from the account to the fund for payment of life-long pensions, respectively to the fund for deferred payments;
  9. In the cases under paragraph 2, item 9 - from the date of transfer of the funds from the account to the relevant pension scheme of the European Union, the European Central Bank and the European Investment Bank.
- (4) Suspension of the transfer of social security contributions shall not lead to closing the individual account of an insured person in the general pension fund.

### **Content of the individual account**

(New title - 05.05.2004)

Art. 22. (amended - 25.03.2005) (1) The individual account of an insured person in the general pension fund shall contain information on:

1. (amended - 14.05.2019) the personal data of the insured person - personal number or similar data and date of birth, for the foreign person, the names on the identity document, number, date and place of issue of the identity card or legitimation document of the foreigner (type, series, number, date and place of issue, validity period), permanent and present address;
2. the number and date of the insurance contract, respectively the number and date of the protocol for the ex officio allocation;
3. the amount of each contribution received, the number of units corresponding to the contribution, after deduction of the imposed fee and the value per unit at which the number of units is determined, the date of receipt of the contribution, the month to which it relates and the charge deducted therefrom;
4. (amended - 20.07.2021) the amount of the funds transferred from a general pension fund managed by another pension insurance company and the amount by which the funds are supplemented in the cases under Article 193a, paragraph 5 of the CSI, the number of units corresponding to these funds, the value per unit at which the number of units is determined, the date of receipt of the funds and the general pension fund from which they are transferred;
5. (new - 26.11.2015) the amount of the funds transferred from the State Fund for Guaranteeing the Sustainability of the State Pension System, the number of units corresponding to these funds, the value per unit at which the number of units was determined and the date of receipt of the funds;
6. (former item 5 - 26.11.2015, amended - 20.07.2021) the amount of the funds transferred to general pension fund managed by another pension insurance company and the amount by which the funds are supplemented in the cases under Article 40, paragraph 1, item 3 of, the number of units corresponding to these funds, the value per unit at which the number of units is determined, the date of transfer of the funds and the general pension fund to which they are transferred;

7. (new - 26.11.2015) the amount of funds transferred to the account of the NRA, on the basis of Art. 129, par. 13 of the CSI, the number of units corresponding to these funds, the value per unit at which the number of units was determined, the date of transfer of the funds;
8. (former item 6 - 26.11.2015, amended - 20.07.2021) the amount of the funds transferred to the fund for the payment of life-long pensions in the cases referred to in Article 48, paragraph 2, the number of units corresponding to these funds, the value per unit at which the number of units was determined and the date of transfer of the funds;
9. (new - 20.07.2021) the amount of the funds transferred to the relevant pension scheme of the European Union, the European Central Bank and the European Investment Bank, the number of units corresponding to those funds, the value per unit at which the number of units was determined and the date of transfer of the funds;
10. (former item 7 - 26.11.2015, former item 9 - 20.07.2021) amounts paid one-off - date of payment, amount and number of units corresponding to the payment and the value per unit at which the number of units was determined;
11. (former item 8 - 26.11.2015, former item 10 - 20.07.2021) each periodic payment - the date of payment, the amount and number of units corresponding to the payment made, and the value per unit at which the number of units was determined;
12. (new - 20.07.2021) the amount of the funds from the reserve for guaranteeing the gross amount of the contributions under Art. 41, with which the individual account is replenished, in the cases under Art. 40, paragraph 1, item 1 and 2, the date of replenishment, the corresponding number of units, and the value per unit at which the number of units was determined;
13. (new - 20.07.2021) the gross amount of the insurance contributions paid by the NRA and the National Social Security Institute;
14. (former item 9 - 26.11.2015, former item 11 - 20.07.2021) the total number of accumulated units.

(2) For insured persons who have an individual account as of 01.07.2004 in the general pension fund, in addition to the information under paragraph 1, the individual account shall provide information on:

1. total amount of the funds;
2. The allocated income
3. The deducted investment fee;
4. the accumulated amount and the number of units with a value of 1 (one) lev on 01.07.2004.

(3) (new - 20.07.2021) In the cases under Art. 10, paragraph 1, item 5, the individual account of an insured person in the general pension fund must contain information:

1. Under paragraph 1, item 1, 3, 8 - 10 and 13;
2. the number and date of the pension contract or deferred payment contract;
3. the date and amount of the funds transferred from the individual account to the life-long pension fund or the deferred payment fund, as the case may be, in the event of an application under Article 72, paragraph 2, for recalculation of the pension or deferred payment, the number of units corresponding to the funds transferred and the value per unit at which the number of units is determined.

(4) (Former paragraph 3, amended - 20.07.2021) In case of granting a supplementary life-long old-age pension or a deferred payment under art. 62, paragraph 1, together with the information referred to in paragraph 1, the individual account must contain data on:

1. the number and date of the order granting the supplementary life-long old-age pension or the deferred payment, as the case may be;

2. number and date of the concluded pension contract. Respectively the deferred payment contract under art. 67;
3. the date and amount of the funds transferred from the individual account to the life-long pension fund or the deferred payment fund, as the case may be, the number of units corresponding to the funds transferred and the value per unit at which the number of units is determined.

(5) (Former paragraph 4, amended - 20.07.2021) In case of one-off or deferred payment of an insured person or to the heirs of an insured person, along with the information under paragraph 1, the individual account must include data on:

1. the number and date of the order for the lump sum or deferred payment respectively;
2. (amended - 14.05.2019) the personal data of the person to whom the one-off or the deferred payment applies - the personal number or similar data and date of birth, for the foreign person, the names on the identity document number, date and place of issue of the identity card or legitimation document of the foreigner (type, series, number, date and place of issue, validity period), permanent and present address;
3. the amount of the one-off payment, respectively the amount, period and number of payments - in the case of deferred payment;
4. number and date of the concluded contract for deferred payment under art. 49.

(6) (Amended - 10.12.2012, 17.01.2013, former paragraph 5, amended - 20.07.2021) By order of the representatives of the pension assurance company, other information may be included in the individual accounts beyond that referred to in paragraph 1 - 5.

### **Keeping individual accounts** (New title - 05.05.2004)

Art. 23. (amended - 05.05.2004) (1) The individual account shall be kept in leva and in units.

(2) The number of units and the value of a unit shall be recorded in the individual account to the fifth decimal place.

(3) (Amended - 10.12.2012, 17.01.2013, 20.07.2021) The entries in the individual accounts of insured persons in the general pension fund shall be made by employees designated by written order of the representatives of the pension assurance company.

(4) The number of units and fractions of units corresponding to each net contribution or amount transferred to the individual account shall be calculated by dividing the net amount of the contribution or amount transferred by the value per unit in effect on the day of receipt. The number of units and fractions of units so determined shall increase the number of units in the individual account.

(5) (amended 26.10.2006, 17.08.2021) The number of units and fractions of units corresponding to each withdrawal or payment by bank transfer or transfer of funds from the individual account shall be determined by dividing the amount of funds due by the value per unit valid for the day preceding the day of the withdrawal, payment or transfer. In the cases referred to in Article 22, paragraph 4, item 3, where the funds in the individual account are transferred on the next working day following the conclusion of the pension contract or the deferred payment contract referred to in Article 67, the number of units and fractions of units corresponding to the transferred funds shall be determined by dividing the amount of the funds due by the value per unit valid for the working day preceding the conclusion of the contract. The number of units and fractions of units so determined shall reduce the number of units in the individual account.

(6) (amended - 26.10.2006) In the case of a one-off payment of funds from the individual account in cash, the number of units and fractions of units corresponding to the payment made shall be determined at the time of issuing the order for payment by dividing the

amount of the payment due by the value per unit valid for the day preceding the day of issuing the order for payment. The number of units and fractions of units so determined shall reduce the number of units in the individual account.

(7) (amended - 26.10.2006, 20.07.2021) In case of deferred payment of funds from the individual account under Article 48 in cash, the number of units and fractions of units by which the number of units in the individual account is reduced shall be determined:

1. for the first payment - at the time the order for payment is issued, dividing the amount of the payment due by the value of one unit, valid for the day preceding the day on which the payment order is issued;
2. for each subsequent payment, on the first business day of the month in which it is due, dividing the amount of the payment by the value per unit on the last business day of the preceding month.

(8) (new - 20.07.2021) The number of units and fractions of units corresponding to each amount received to replenish the individual account up to the gross amount of the contributions transferred shall be calculated by dividing the amount of the funds transferred from the gross contribution guarantee reserve referred to in Article 41 by the value per unit valid for the day preceding the day of the transfer.

(9) (former paragraph 9 - 11.11.2011, former paragraph 8 - 20.07.2021) Non-personalised amounts received in the general pension fund from contributions of insured persons up to the moment of their personalisation shall be accounted for in a separate account in value and in number of units determined by dividing the value of the amount received by the value per unit valid for the day of receipt.

(10) (Former paragraph 10 - amended - 11.11.2011, former paragraph 9 - amended 20.07.2021) After personification, the funds under paragraph 9 shall be allocated to the individual accounts of the persons to whom they relate, where:

1. the fees payable under Art. 26, paragraph 1, item 1 shall be deducted on the day of the distribution of the funds to the respective individual accounts, the number of units and fractions of units corresponding thereto being determined by dividing the amount of the fees due by the value per unit valid for the day on which the funds are credited to the account referred to in paragraph 9. The number of units and fractions of units so determined shall be reduced by the number of units in the general pension fund on the day on which the fees are assessed on the account of the pension assurance company;
2. the net amount of the funds and the number of units and fractions of units corresponding to them, which shall be calculated by dividing the net amount of the funds received by the value per unit valid for the day on which they are credited to the account referred to in paragraph 9 shall be recorded in the individual accounts.

### **Calculating and declaring the value of one unit**

(Title amended - 05.05.2004)

Art. 24. (amended - 05.05.2004) (1) The value of a unit shall be calculated for each working day and shall be valid only for that day.

(2) The value of a unit under paragraph 1 shall be calculated by dividing the value of the net assets of the general pension fund at the end of the previous business day by the total number of units of the fund at the end of that day.

(3) The value per unit shall be determined to the fifth decimal place.

(4) (Amended 11.11.2011, 08.07.2019, 20.07.2021) The total number of units of the general pension fund shall be equal to the sum of the units recorded in the individual accounts, in the reserve account under art. 34, paragraph 1 and in the account under art. 23, paragraph 9.



(5) (new- 26.10.2006, amended - 14.05.2019) An error in the determination of the net asset value of the general pension fund, which results in an overstatement or understatement of the value of one unit of the fund by more than 0.05 per cent, shall be corrected by the pension assurance company no later than three working days from the date of its ascertainment by the company, respectively from the receipt of the decision under art. 18, paragraph 2 of the FSC Act or under art. 344, paragraph 1, item 1 of CSI.

(6) (new - 14.05.2019) An error under paragraph 5, detected by the pension assurance company, shall be ascertained by the pension insurance company by means of a protocol of findings and relevant documents, depending on the nature of the error on the day of its detection. The protocol shall be signed by the head of the internal control service and the persons managing and representing the company. On the day on which the error referred to in paragraph 5 is ascertained, the pension assurance company shall notify the FSC, attaching copies of the protocol and the documents referred to in the first sentence.

(7) (new - 14.05.2019) An error under paragraph 5 ascertained as a result of application of a measure under art. 18, paragraph 2 of the FSC Act or under art. 344, paragraph 1, item 1 of CSI, obliging the pension insurance company to make an adjustment in the valuation of an asset or liability of the general pension fund, shall be ascertained by the pension assurance company by a protocol of findings by the end of the working day following the day of receipt of the decision of the FSC. The protocol of finding shall be signed by the head of the internal control service and the persons managing and representing the company and shall be submitted to the FSC on the day on which it is drawn up.

(8) (new - 26.10.2006, former paragraph 6, amended - 14.05.2019, 20.07.2021) In the event of an error under paragraph 5, the pension assurance company shall be obliged, at its own expense, to reimburse the general pension fund, respectively the insured persons and their heirs, the difference between all the funds due, calculated according to the corrected value of one unit, and the funds paid, within ten days of its ascertainment under paragraph 6, respectively of receipt of the decision under Article 18, paragraph 2 of the FSC Act or under Article 344, paragraph 1, item 1 of the CSI.

(9) (new - 26.10.2006, former paragraph 7, amended - 14.05.2019) The correction of errors under paragraph 5 shall be made in accordance with Annex No. 3 to Ordinance No. 9 of the FSC of 19.11.2003.

(10) (new - 26.10.2006, former paragraph 8, amended - 14.05.2019) The omitted error shall be communicated by the pension assurance company upon the appropriate application of paragraph 13 and 14 on the day of its remedy in accordance with paragraph 5, the date on which the error was made, the value of one unit before the remedy and the value of one unit after the remedy shall be indicated for all days for which a new unit value has been calculated.

(11) (new- 14.05.2019, amended - 20.07.2021) In the cases where as a result of an error under paragraph 5, amounts are to be refunded to insured persons or their heirs, the pension assurance company shall, after making the correction, notify the persons concerned of the procedure and manner in which they may receive the funds due.

(12) (new - 14.05.2019) On the day the error is remedied, the pension assurance company shall submit to the FSC:

1. In the cases under item I of Annex No. 3 to Ordinance № 9 of FSC of 19.11.2003
  - the data referred to in paragraph 10, as well as any corrected statements of net asset value and per unit value for each business day from the date of the error until the date of correction;
2. In the cases under item II of Annex No. 3 to Ordinance № 9 of FSC of 19.11.2003
  - the data referred to in paragraph 10 for each business day from the date of the error to the date of its correction and statements of the value of net assets and the value per unit for the day of the correction of the error, accompanied by additional information on the amount of the corrections reflected in the respective items in the

statements.

(13) (former paragraph 5 - 26.10.2006, former paragraph 9 - 14.05.2019) The value of a unit for the current day shall be announced by the pension assurance company by 6 p.m. on each working day in its offices and on its website.

(14) (former paragraph 6 - 26.10.2006, former paragraph 10 - 14.05.2019) The value of a unit valid for the last working day of each month shall be published in a central daily newspaper on the third working day of the following month. The central daily newspaper shall be published in the offices of the pension assurance company and on its website.

### **Statement from the individual account**

(Title amended - 05.05.2004)

Art. 25. (amended - 25.03.2005 r.) (1) (amended - 14.05.2019) The pension assurance company shall provide to the insured persons in the general pension fund free of charge, by 31st May of each calendar year, an annual statement from their individual account with data up to 31 December of the previous year, in a form approved by Ordinance No 61 of 27.09.2018 of the FSC.

(2) (former paragraph 3 - 14.05.2019) Except in the case under paragraph 1, an extract from the individual account shall be provided free of charge in the case of:

1. (amended - 26.10.2006, 14.05.2019) request of the insured person - within 30 days from the date of receipt of the written request by the pension assurance company;
2. (amended - 17.08.2021) transfer of the resources to the individual account of general pension fund, managed by another pension insurance company, with data about the period from the beginning of the current year until the date preceding the day on which the transfer was made - within From seven business days from the date of transfer of the resources to the account of the general pension fund chosen by the persons pursuant to art, 8, paragraph 6 of Ordinance No. 3 of 24.09.2003 of FSC.
3. (New - 26.11.2015) Transfer of the resources from the individual account held at NRA on the ground of art. 129, paragraph 13 of CSI within one week after the date of transfer.

(3) (Amended - 10.12.2012, 17.01.2013, former paragraph 4, amended - 14.05.2019, 08.07.2019) The statement from the individual account under:

1. (amended - 17.08.2021 r.) paragraph 1:
  - a) shall be sent on a hard copy to the permanent address of the insured person;
  - b) shall be made available electronically, including by e-mail, on a magnetic media or through the website of the pension assurance company.
2. (new - 17.08.2021) paragraph 2, item 1 shall be provided in the manner indicated by the insured person in the request submitted by him/her;
3. (previous item 2 - 17.08.2021) paragraph 2, item 2 shall be sent by post, by letter with receipt confirmation or by e-mail, signed with a qualified electronic signature by the pension assurance company, depending on the choice of the insured person in the application for change of his/ her participation and to the e-mail address indicated in the application;
4. (Former item 3 - 17.08.2021) paragraph 2, item 3 shall be sent through licensed post operator, with receipt confirmation.

(4) (new- 14.05.2019, amended - 08.07.2019) The insured person shall choose the manner of receiving his/ her statement under:

1. paragraph 3, item 1 and shall specify the e-mail address to which it is to be sent in the insurance contract;
2. (amended - 17.08.2021) paragraph 3, item 3 and shall indicate the e-mail address to which it shall be sent in the application for change of participation submitted by him/

her.

(5) (new- 14.05.2019, amended - 08.07.2019) Where the insured person has not made a choice in accordance with paragraph 4, item 1, the statement shall be sent to him/her on paper to his/her permanent address.

(6) (new- 14.05.2019, amended - 08.07.2019) The insured person may change the way of receiving his/ her statement under paragraph 5 or the choice made under paragraph 4, item 1 by a document, according to the approved form of the pension assurance company, which shall be submitted on paper or through its website.

## **CHAPTER FIVE.**

### **CHARGES AND**

### **FEES**

#### **Charges and fees for the management of the funds from the general pension fund**

(Title amended - 05.05.2004)

Art. 26. (amended - 05.05.2004) (1) The fees and charges in favour of the pension assurance company shall be as follows:

1. (amended - 13.07.2011, 26.11.2015, 25.01.2016, 14.05.2019) a fee from each contribution to the general pension fund in the amount of:

a) 3.75 % - for contributions for 120 and less than 120 months; b) 3.60 % - for contributions for more than 120 months.

2. (amended - 03.10.2013, 25.01.2016, 14.05.2019) investment fee calculated on the value of the net assets of the general pension fund, depending on the period during which they were managed by the pension assurance company, at the rate of 0.75 per cent per year.

(2) (New - 13.07.2011, amended - 08.09.2011) When determining the number of months under paragraph 1, item 1, for which contributions have been made, it should be taken into account the contributions to general pension fund, managed by another pension insurance company if the insured person submits statement from the individual account or reference from NRA for the contributions made and the months to which they refer to the general pension fund(s) from which the resources have been transferred.

(3) (New - 13.07.2011, amended - 03.10.2013, 26.11.2015, 25.01.2016, 08.07.2019 r.) The lower amount of the fee under paragraph 1, item 1, letter "b" in the cases referred to in paragraph 2, shall be assessed on the insurance contributions received for the person in the general pension fund after the expiration of a 30-day period from the date of receipt of the statement or the report referred to in paragraph 2 in the office of the pension assurance company.

(4) (former paragraph 2 - 13.07.2011) The fee under paragraph 1, item 1 shall not be assessed on funds transferred from a general pension fund managed by another pension insurance company.

(5) (Former paragraph 3 - 13.07.2011, amended - 16.10.2017) The fee under paragraph 1, item 2 shall be calculated and assessed in favour of the pension assurance company according to the procedure and in the manner specified in Ordinance No. 52 of 21.10.2016 of the FSC.

(6) (Former paragraph 4 - amended - 13.07.2011, 10.12.2012, 17.01.2013, 20.07.2021) The amount due under paragraph 5 shall be confirmed each month by order of the

representatives of the pension assurance company and shall be credited to its account from the funds of the general pension fund by the fifth working day of the following month.

### **Fee for transfer of resources from an individual account**

(New title - 05.05.2004, amended - 26.11.2015)

Art. 27. (amended - 05.05.2004, 26.11.2015, effective from 01.01.2016)

The pension assurance company shall collect an additional fee of BGN 10 upon transfer of the resources from the individual account to the pension schemes of the European Union, the European Central Bank and the European Investment Bank, according to art. 343a, paragraph 1, item 2 and art. 343e of CSI. The fee shall be paid by the insured person.

## **CHAPTER SIX**

### **MAIN OBJECTIVES OF INVESTMENT POLICY. RETURN ON INVESTMENT AND VALUATION OF GENERAL PENSION FUND ASSETS**

(Title amended - 05/05/2004, 19/02/2019)

#### **Basic principles and objectives of investing**

(New title - 05.05.2004)

Art. 28. (amended - 05.05.2004) (1) (amended - 19.02.2019, 20.07.2021) The funds of the general pension fund shall be invested by the pension assurance company in accordance with the long-term interests of the insured persons and in compliance with the principles of reliability, liquidity, profitability and diversification.

(2) (new - 19.02.2019) When investing the resources of the general pension fund, the pension assurance company shall be obliged to:

1. implement the investment policy of the general pension fund with a view to achieving its investment objectives, and comply with the investment restrictions laid down in the policy, in the CSI and in its implementing regulations;
2. comply with the risk management rules of the general pension fund and manage risk by continuously monitoring and evaluating each investment;
3. treats the funds it manages equally and fairly;
4. take all necessary actions to obtain the best possible result for the general pension fund, taking into account the price, cost, timing, likelihood of execution and settlement, volume and type of transaction and any other circumstance relevant to its execution;
5. prevent conflict of interests;

(3) (Amended - 21.12.2006, 26.11.2015, former paragraph 2 - 19.02.2019) To determine the investment objectives of the general pension fund it should be taken into account its long-term investment horizon and the low current level of liquidity needs that result from:

1. the long-term nature of the funds for the supplementary compulsory pension insurance in the general pension funds, therefore the time horizon of the investment portfolio is over 20 years;
2. the steadily increasing number of insured persons in the fund and the preservation of the amount of contributions to the general pension funds, which leads to significantly higher cash inflows into the Fund compared to cash outflows;
3. the low average age, the lack of a predominant gender share and the diversity of the structure of the persons insured in the fund by occupation;

4. the relatively small number of current cases in which the accumulated funds are paid;
5. the non-taxation of the achieved profitability of the fund and of the profitability distributed to the individual accounts of the persons insured therein.

(4) (Amended - 21.12.2006, 26.11.2015, former paragraph 3 - 19.02.2019, amended - 14.05.2019, 20.07.2021) The main objective of the investment policy of the general pension fund is to preserve and increase, in real terms, the accumulated funds in the individual accounts of the insured persons, in the medium and long term, by achieving the highest possible yield, at a given moderate degree of risk.

(5) (new - 21.12.2006, former paragraph 4 - 19.02.2019) In order to meet the investment objectives, the pension assurance company shall follow an active investment strategy based on the full use of the opportunities of the Bulgarian and international financial markets when investing the resources of the general pension fund.

(6) (New - 21.12.2006, amended - 26.11.2015, former paragraph 5 - 19.02.2019) The allocation of investments by asset classes shall be applied with the aim of achieving diversification and an optimal risk/return ratio. The choice of a particular financial instrument shall be determined by the general market conditions, its unique characteristics and the expected contribution of the relevant instrument to the structure, return and risk of the investment portfolio.

(7) (new - 26.11.2015, former paragraph 6 - 19.02.2019, amended - 20.07.2021) The objective in managing the funds of the insured persons shall be to preserve and increase their purchasing power in the long term. The real measure of the preservation of the purchasing power of the funds managed in the general pension fund shall be the real return, as a percentage of the fund's assets under the internal rate of return method (cash flow-weighted return method). The calculation is made on a monthly basis for the accounting period. The objective is to achieve a positive real return of 0.25%, on an annual basis, over the averaged five-year prior period.

(8) (New - 21.12.2006, amended - 13.07.2011, former paragraph 6, amended - 26.11.2015, former paragraph 7, amended - 19.02.2019, 14.05.2019) The pension assurance company shall monitor daily the performance of the investments made in relation to the valuation of the assets under Article 31, and an assessment of the performance of the investments made shall be made every six months. In the event that for two consecutive six-month periods, the profitability of the portfolio of the general pension fund is lower than that referred to in paragraph 7 benchmark, the investment adviser, portfolio managers and/or financial analysts shall provide, to the Investment Committee of the pension assurance company, detailed information on the reasons for the deviation as well as what actions will be taken to achieve the investment policy objectives.

(9) (new - 21.12.2006, former paragraph 7, amended - 26.11.2015, 25.01.2016, former paragraph 8, amended - 19.02.2019) The pension assurance company shall develop and comply with ethical rules for the investments of the general pension fund, which shall be within the statutory norms applicable in practice in its operational management and consist in the following:

1. general pension fund resources are not invested in companies:
  - 1.1. which violate the United Nations Convention on Human and Labour Rights, Environmental Protection and Anti-corruption, consisting of the following:
    - 1.1.1. human rights principles - to promote and respect the protection of human rights internationally; to refuse to participate in the abuse or violation of human rights;
    - 1.1.2. principles of labour rights - to promote freedom of association and recognition of the right to collective bargaining; prohibition of compulsory labour; prohibition of child labour; elimination of discrimination in staff selection;

- 1.1.3. Environment protection principles - introducing protective and effective environmental programmes; initiatives demonstrating environmental responsibility; promoting the diffusion and use of environmentally friendly technologies;
- 1.1.4. anti-corruption principles - promoting and adopting activities to counter all forms of corruption including extortion and bribery.
- 1.2. whose business is the manufacture or trade in arms. Investment in such companies is allowed if the main part of their business is not directed to this activity and a substantial part of their revenues does not derive from arms production and trade;
- 1.3. for which there are reasonable grounds to believe that the source of their funds is of illicit origin.
- 2. there is a consistent policy and willingness to invest where there is an intersection of financial and ethical principles in the management of the general pension fund and there is a link between positive choice and the principles in 1.1.;
- 3. the investment portfolio of the general pension fund is regularly monitored and each investment is assessed against the ethical rules.

**Restrictions on investing**  
(New title - 05.05.2004)

Art. 29. (amended (amended - 05.05.2004, 26.10.2006, 21.12.2006, repealed - 19.02.2019)

**Portfolio management criteria and process**

Art. 29a. (new- 21.12.2006) (1) (amended - 26.11.2015, repealed - 19.02.2019)

**Monitoring, measurement and risk management in portfolio management**

Art. 29b. (new- 21.12.2006, amended - 13.07.2011, repealed - 19.02.2019)

**Investment policy and information disclosure**  
(New title - 05.05.2004, amended - 26.10.2006)

Art. 29. (amended - 05.05.2004 former art. 30, amended - 19.02.2019) (1) In accordance with the principles and objectives of the investment of the resources of the general pension fund, the Management Board of the pension assurance company shall adopt an investment policy of the general pension fund, which, within the limits of the law, shall specify the types of investment instruments in which the resources of the general pension fund shall be invested and the limits for each of them.

(2) The pension assurance company shall review the investment policy referred to in paragraph 1 on an annual basis and immediately after any material change in market and other relevant conditions.

(3) The pension assurance company shall inform the insured persons about the amendments and additions made to the investment policy of the general pension fund through an announcement in two central daily newspapers and publish it on its website within 7 days of the change.

(4) The pension assurance company shall publicly disclose data representing directly or indirectly the investment results of the management of the general pension fund, in accordance with the rules and requirements of Ordinance No. 61 of 27.09.2018 of the FSC.

## **Distribution of return on investments**

(New title - 05.05.2004)

Art. 30. (amended - 05.05.2004, former art. 31 - 19.02.2019, amended - 08.07.2019, 20.07.2021) The distribution of the income from the investment of the resources of the general pension fund on the individual accounts of the insured persons, on the account of the non-personified amounts under Art. 23, paragraph 9 and in the account of the reserve referred to in Article 34, shall be carried out each working day, simultaneously with the valuation of its assets and liabilities, the income being included in the value of the unit for the respective day.

## **Valuation of assets**

(Title amended - 05.05.2004)

Art. 31. (amended - 05.05.2004, former art. 32 - 19.02.2019) (1) (suppl. - 26.11.2015, amended - 19.02.2019) The valuation of the assets and liabilities of the general pension fund shall be carried out by the pension assurance company as of the end of each business day, in accordance with the requirements of Ordinance No. 9 of 19.11.2003 of the FSC and in the manner and the procedure set out in the Rules for Valuation of the Assets and Liabilities of the Pension Assurance Company and of the Supplementary Pension Insurance Funds Managed by it, adopted by the Management Board of the pension assurance company. The value of one unit of the general pension fund is calculated on a daily basis and published on the website of the pension insurance company and on the website of the FSC.

(2) The rules for the valuation of the assets and liabilities of the pension assurance company and of the supplementary pension insurance funds managed by it shall be provided to the insured person upon his/her explicit wish.

## **CHAPTER SEVEN**

### **MINIMUM RETURN**

(Title amended - 05.05.2004)

#### **Determination of the minimum return**

(Title amended - 05.05.2004)

Art. 32. (amended - 05.05.2004, former art. 33 - 14.05.2019) (1) In managing the assets of the general pension fund, the pension insurance company shall, in accordance with the requirements of the CSI, be obliged to achieve a minimum return.

(2) (amended - 14.05.2019) The minimum return is determined by the FSC at the end of each quarter, in percentage, based on the achieved return from the management of the assets of all general pension funds for the previous 24-month period.

(3) The minimum return to be achieved is equal to the lower of 60 per cent of the average return achieved by all general pension funds or 3 percentage points less than the average.

(4) (amended - 14.05.2019) The minimum return shall be announced by the FSC by the end of each month following the reporting quarter.

#### **Guaranteeing the minimum return**

(New title - 05.05.2004)

Art. 33. (amended - 05.05.2004, former art. 34 - 14.05.2019) (1) (amended - 14.05.2019) In the event of achieving a return on the management of the assets of the general pension fund lower than the minimum return announced for the relevant period under Article 32, paragraph 4, the pension assurance company shall cover the difference within 10 days of the announcement.

(2) Reserves shall be established in the general pension fund and in the pension assurance company to guarantee the minimum return.

### **Reserve of the General Pension Fund** (New title - 05.05.2004)

Art. 34. (amended - 05.05.2004, former art. 35 - 14.05.2019) (1) (amended - 14.05.2019) Where the return achieved on the management of the assets of the general pension fund is greater than 40 per cent of the average return achieved for all general pension funds or exceeds it by 3 percentage points, whichever is the greater, the funds from the yield in excess of that percentage shall be allocated to the reserve of the general pension fund. The value of the reserve may not exceed 1 per cent of the net assets of the fund.

(2) (amended - 14.05.2019) The funds in the reserve under paragraph 1 shall be part of the net assets of the general pension fund and shall be recorded and accumulated in a separate account, which shall be kept in BGN and in units.

(3) (amended - 14.05.2019) The transfer of funds to the reserve shall be carried out by the pension assurance company on the first working day following the day of announcement of the minimum return in accordance with Article 32, paragraph 4.

(4) The amount of the funds in BGN to be transferred to the reserve shall be determined by multiplying the number of units in the general pension fund as of the last working day of the 24-month period by the difference between the value of one unit as of the last working day of the same period and the value of one unit as of the same period that reaches the higher of the two values under paragraph 1.

(5) The transfer of funds to the reserve increases the number of units in the reserve account and decreases the value per unit.

(6) The reduced value of a unit shall be determined as the ratio of the value of the net assets of the general pension fund at the date of setting aside of the reserve to the number of units in it after the setting aside of the reserve and shall be valid for the day on which the funds are transferred from the general pension fund to the reserve.

(7) The number of units to be recorded in the reserve account shall be determined by dividing the amount of the funds in BGN, calculated in accordance with paragraph 4, by the value per unit which produces the greater of the two values under paragraph 1.

### **Use of resources from the general pension fund reserve** (Title amended - 05.05.2004)

Art. 35. (amended - 05.05.2004, former art. 36 - 14.05.2019) (1) (amended - 14.05.2019) Where the return achieved from the management of the assets of the general pension fund is lower than the guaranteed minimum return under Article 32, the difference shall be covered by the resources of the reserve of the general pension fund. If those funds are insufficient, the pension assurance company shall cover the shortfall with funds from the reserve referred to in Article 36.

(2) The amount of funds required to cover the difference up to the minimum return is determined as the product of:

1. (amended - 08.07.2019) the number of units in the general pension fund as of the



end of the business day preceding the last business day of the 24-month period and  
2. the difference between the value per unit at which the minimum return is reached and the value per unit on the last business day of the 24-month period.

(3) Covering the difference up to the minimum return with the resources from the general pension fund reserve is done by reducing the number of units in the reserve and increasing the value of one unit.

(4) The number of units by which the reserve account is reduced shall be determined as the ratio of the amount of funds to cover the shortfall to the minimum return to the value per unit at which it is reached.

### **Reserve of the pension assurance company**

(New title - 05.05.2004)

Art. 36. (amended - 14.11.2005, former art. 37 - 14.05.2019, amended - 08.07.2019, 20.07.2021) The pension assurance company shall form with its own funds a reserve to guarantee the minimum return from the management of the assets of the general pension fund, the amount of which shall be determined and maintained at a percentage of not less than 0.5 per cent and not more than 1.5 per cent of the value of the net assets of the general pension fund at the end of the last working day of each month, reduced by the funds in the account of the reserve of the general pension fund.

### **Use of resources from the reserve of the pension assurance company**

(New title - 05.05.2004)

Art. 37. (amended - 05.05.2004, former art. 38 - 14.05.2019) (1) Where the resources in the reserve of the general pension fund are insufficient to cover the difference up to the minimum return, the shortfall shall be covered from the funds of the pension assurance company's reserve.

(2) (amended - 14.05.2019) The amount of the funds from the reserve of the pension assurance company, which shall cover the shortfall, shall be determined as the difference between the amount of the funds under Article 35, paragraph 2 and the amount covered by the reserve of the general pension fund.

(3) (amended - 14.05.2019) Covering the difference shall be carried out by transferring funds from the reserve of the pension assurance company to the general pension fund on the day of covering the shortfall under Art. 33, paragraph 1

(4) (amended - 14.05.2019) In case there is no reserve formed in the general pension fund, the amount of the funds under article 35, paragraph 2 shall be covered from the reserve of the pension assurance company.

### **Covering the difference up to the minimum return with the pension assurance company's own assets**

(New title - 14.05.2019)

Art. 38. (new - 14.05.2019) (1) The pension assurance company shall cover with its own funds the difference up to the minimum return in case the funds of the reserves under article 34 and 36 are not sufficient.

(2) The amount of own funds with which the pension assurance company covers the difference up to the minimum return in the cases referred to in paragraph 1 shall be determined as the difference between the amount of the funds referred to in article 35, paragraph 2 and the amount covered by the reserve referred to in article 34 and the reserve referred to in article 36.

(3) Covering the difference under paragraph 2 shall be carried out by transferring funds from the pension assurance company to the general pension fund on the day of covering the shortfall to the minimum return.

**The pension unit value of the general pension fund after covering the difference to the minimum return**  
(New title - 05.05.2004)

Art. 39. (amended - 05.05.2004, 14.05.2019, 08.07.2019) The value of one unit of the general pension fund, after covering the difference up to the minimum yield, shall be determined by dividing the value of its net assets, which includes the funds transferred by the pension assurance company, by the number of units of the general pension fund, reduced by the number of units referred to in Article 35, paragraph 4.

**CHAPTER EIGHT**  
(New - 20.07.2021)

**GUARANTEEING THE GROSS AMOUNT OF THE CONTRIBUTIONS TO THE GENERAL PENSION FUND**

**Guaranteeing the gross amount of social insurance contributions paid**

Art. 40. (1) Where the amount of funds in the individual account of an insured person in the general pension fund who has acquired the right to a supplementary life-long old-age pension is less than the sum of the gross amount of the contributions transferred by the NRA and the National Social Insurance Institute for that person, his/ her individual account shall be replenished up to that amount from the reserve under Article 41 before:

1. the transfer of the funds in the account to the fund for the payment of life-long pensions referred to in Article 60 or to the deferred payment fund referred to in Article 63;
2. one-off payment of the funds in the account under art. 51;
3. (amended - 17.08.2021) the transfer of the funds on the account to a general pension fund managed by another pension insurance company on the grounds of Art. 43, paragraph 3.

(2) When comparing the accumulated funds in the individual account with the amount of gross contributions paid to assess the need to replenish it:

1. funds transferred under Article 172 of the CSI and the income from their investment shall not be taken into account;
2. From the gross amount of the transferred contributions shall be excluded the part of the contributions corresponding to the funds paid under article 139, para 1, item 2 of CSI.

(3) The part of the contributions referred to in paragraph 2, item 2 shall be determined on the basis of the total amount of the contributions credited to the insured person's individual account at the date of the payment under Article 139, paragraph 1, item 2 of the CSI and the ratio between this payment and the total amount of funds in the account.

(4) The number of units and fractions of units corresponding to the amount determined in accordance with paragraphs 2 and 3 for the replenishment of the individual account from the reserve referred to in Article 41 shall be calculated by dividing the amount transferred from the reserve referred to in article 41 by the value per unit valid for the day preceding the day of the transfer and increasing the number of units in the individual account by the number of units

and fractions of units so calculated.

(5) The guarantee under paragraph 1 shall not apply to the social insurance contributions of the persons referred to in art. 10, paragraph 1, item 5.

### **Reserves for guaranteeing the gross amount of the transferred contributions to the general pension fund**

Art. 41. (1) To guarantee the gross amount of the contributions to the general pension fund under art. 10, paragraph 1, the pension assurance company shall establish a reserve.

(2) The reserve referred to in paragraph 1 shall be formed by:

1. the pension assurance company's own funds;
2. (amended - 17.08.2021) the transferred funds according to the procedure of article 42, item 2 from the respective reserve of the pension assurance company managing the general pension fund from which the funds are transferred;
3. the funds transferred under art. 63, paragraph 6, item 1 and paragraph 8.

(3) The reserve referred to in paragraph 1 shall be 0.5 per cent of the value of the net assets of the general pension fund, calculated at the end of the last working day of the respective month.

### **Use of resources from the reserve under art. 41**

Art. 42. The funds of the reserve referred to in Article 41 shall be used only for:

1. 1. Replenishment of the individual accounts under Art. 40, paragraph 1;
2. transfer of a part of the reserve equal to 0.5 per cent of the transferred funds on the individual account of an insured person, when their amount is less than the sum of the gross amount of the contributions received for him/her, to the respective reserve of the pension assurance company managing the general pension fund to which the funds are transferred;
3. covering a shortfall in fund for deferred payments under art. 63.

## **CHAPTER NINE**

### **CONDITIONS, PROCEDURE AND TERMS FOR THE TRANSFER OF ACCUMULATED FUNDS IN THE INDIVIDUAL ACCOUNT, FOR THE MODIFICATION AND RENEWAL OF INSURANCE**

(Title amended - 05.05.2004, amended - 26.11.2015)

#### **Terms for change of participation**

(Title amended - 05.05.2004)

Art. 43. (amended - 05.05.2004, former art. 53 - 20.07.2021) (1) (amended - 14.05.2019) (d) The insured person shall have the right to change his/her participation and to transfer the accumulated funds in the individual account in the general pension fund to a relevant fund managed by another pension assurance company if one year has elapsed from the date:

1. of conclusion of his/ her first insurance contract;
2. Of his/her ex officio allocation;
3. (suppl. - 08.07.2019) of the occurrence of the insurance relationship under art. 124A, paragraph 3 of the CSI, respectively under art. 10, paragraph 1, item 4;
4. (suppl. - 08.07.2019) under art. 124B of the CSI, respectively under art. 10, paragraph 1, item 3.

(2) (Amended - 17.01.2013, 25.01.2016, former paragraph 3, amended - 14.05.2019, 20.07.2021) The insured person may change his/her participation and transfer the accumulated funds from the individual account to the general pension fund in case of disagreement with the changes made in these Regulations or in its investment policy, if within three months from the notification under art. 80, paragraph 3, respectively under Art. 29, paragraph 3, submits an application to that effect, unless:

1. the head office or registered address of the pension assurance company changes;
2. The changes ensue from regulatory amendments.

(3) (new - 20.07.2021) An insured person who has acquired the right to a pension from the general pension fund shall have the right to change his/her participation once and to transfer the accumulated funds on the individual account or their supplemented amount in the cases under art. 40, paragraph 1, whichever is the greater, into a corresponding fund managed by another pension insurance company.

(4) (new - 20.07.2021) The insured persons under art. 10. Paragraph 1, item 5 shall not be entitled to change their participation under paragraph 1, 2 и 3.

(5) (New - 15.12.2005, amended 11.11.2011, previous paragraph 4 - 14.05.2019, former paragraph 3 - 20.07.2021) Upon or on the occasion of a change in the participation of insured persons under the terms and conditions of Ordinance No. 3 of 24.09.2003 of the FSC, the pension assurance company, its shareholders, insurance intermediaries or other persons may not grant, offer or promise in any form special privileges, gifts, services or other benefits to insured persons.

**Procedure and terms for transferring the accumulated funds in the individual account to a relevant fund managed by another pension insurance company**

(New title - 05.05.2004)

Art. 44. (amended - 25.03.2005, 11.04.2005, former art. 54 - 20.07.2021) (1)

The change of the participation and the transfer of the accumulated funds on the individual account in a general pension fund to a relevant fund managed by another pension assurance company shall be made on the basis of an application in accordance with Annex No. 1 to Ordinance No. 3 of the FSC of 24 September 2003, which shall be submitted by the insured person to the pension assurance company managing the fund to which the person wishes to transfer.

(2) (Amended - 11/11/2011, 19/12/2011, 15/03/2016, 14/05/2019, 20/07/2021)

The application for a change of participation shall be submitted by the insured person as an electronic document under the provisions of the EDECSA (electronic application) or on paper and shall be accepted by an insurance intermediary or an employee authorised by the pension assurance company. Before accepting the application for change of participation, the employee shall identify himself/herself to the insured person by means of a service card and the insurance intermediary by means of the document referred to in Article 123d, paragraph 12 of the CSI.

(3) (amended - 11.11.2011) In cases where the application for change of participation is submitted on paper, the signature of the insured person on the first copy shall be notarised. The electronic application shall be signed by the insured person with a qualified electronic signature.

(4) (amended - 11.11.2011) The pension assurance company shall not accept a paper application that is not notarized, an electronic application that is not signed with a qualified electronic signature of the insured person, as well as an application with incomplete or incorrectly filled in data.

(5) (amended 11.11.2011, 14.05.2019) Simultaneously with the submission of the application for change of participation, the insured person shall sign an insurance contract with the pension assurance company managing the fund to which he/she wishes to transfer. The

contract shall enter into force from the moment of termination in accordance with art. 8, paragraph 1 of the Ordinance

No 3 of 24.09.2003 of the FSC, of the insurance relationship with the pension assurance company managing the fund in which the person is insured.

(6) (amended - 11.11.2011) The person accepting the application shall assign an entry number and date, and shall fill in it and in the insurance contract the data specified for the pension assurance company. The employee of the pension assurance company shall certify the acceptance by name, position and signature and the insurance intermediary by name, service number and signature, after which he/ she shall immediately return to the insured person the last copy of the application and the second copy of the contract.

(7) (amended 11.11.2011, 20.07.2021) Where the application for change of participation and the insurance contract are submitted as electronic documents, electronic copies thereof, signed with the qualified electronic signature of the pension assurance company, shall be sent to the insured person's e-mail address indicated in his/her electronic signature or in the application on the day of their receipt by the pension assurance company, respectively on the first working day following that date in case of submission of the electronic documents during non-working hours or on a non-working day.

(8) (amended - 11.11.2011) In case of a change in the name or the personal number with which the insured person is registered in the respective general pension fund, the application for change of participation shall be obligatorily accompanied by the following documents certified by the insured person, respectively scanned copies of the official documents certifying this fact. The application shall describe the attached documents and the change they certify.

(9) (amended - 11.11.2011) The pension assurance company shall assist the insured person in performing all actions related to the submission of the application for change of participation in order to avoid damage to his/ her interests due to ignorance or other reasons and shall provide the insured person who submits the application with up-to-date written information on the change of participation and the main characteristics of the general pension fund, prepared in accordance with Annex No. 1a of Ordinance No. 3 of 24.09.2003 of the FSC.

(10) (new- 19.12.2011, amended - 20.07.2021) Where the application for change of participation is not accepted by the pension assurance company managing the general pension fund in which the person is insured, due to the fact that it does not meet the requirements of art. 5, paragraph 3 of Ordinance No. 3 of 24.09.2003 of the FSC, the pension assurance company shall cancel it and within seven days notify the insured person who submitted the application of its cancellation, by letter with receipt confirmation, through an insurance intermediary - in writing against signature or by electronic message signed with a qualified electronic signature, if the person has chosen this method in the application.

(11) (Amended 11.11.2011, former paragraph 10 - 19.12.2011) The pension assurance company shall refuse to change the participation of a person insured in the general pension fund managed by it, when at the time of consideration of the application:

1. (amended - 14.05.2019, 20.07.2021) the requirements of art. 171, paragraph 1, 3 or 4 or art. 340, paragraph 4, item 1 of the CSI and art. 43, paragraph 1, 2 or 3, or in the cases referred to in Article 43, paragraph 4;
2. within the term and in accordance with the procedure laid down in article 5, paragraph 2 of Ordinance No 3 of the FSC of 24 September 2003, has received applications from different pension insurance companies for change of participation of the same insured person.

(12) (Amended - 11.11.2011, former paragraph 11 - 19.12.2011) The pension assurance company may refuse to consider an application for change of participation when:

1. the name of the insured person does not match the actual data in the documents available to the company and the application is not accompanied by the documents

referred to in paragraph 8;

2. (amended - 14.05.2019, 20.07.2021) in the fund from which the person wishes to change his/her participation, there is no insured person with the personal number indicated in the application and the documents referred to in paragraph 8 are not attached to the application.

(13) (Amended - 11.11.2011, former paragraph 12 - 19.12.2011, amended - 20.07.2021)

In

case of refusal, each insured person shall receive on request a certified copy of the application for change of participation, respectively an electronic copy thereof or of the electronic document referred to in art. 5, paragraph 7, item 2 of Ordinance No. 3 of the FSC of 24 September 2003, from the company to which it has been submitted and may file an objection for review of the refusal within 7 days after the expiry of the period referred to in article 5, paragraph 6, item 3 of Ordinance No. 3 of the FSC of 24 September 2003.

(14) (Amended - 11.11.2011, former paragraph 13 - amended - 19.12.2011) The objection under paragraph 14 shall be submitted to the pension insurance company in whose general pension fund the person is insured, through the pension insurance company managing the respective fund to which the person wishes to transfer, and shall be accompanied by any written evidence in support thereof, and in the case of discrepancies under paragraph 12, item 1 - and certified by the insured person, respectively scanned, copies of the official documents certifying the relevant data.

(15) (Amended - 11.11.2011, former paragraph 14 - 19.12.2011) Within the period referred to in art. 6, paragraph 7 of Ordinance No. 3 of 24.09.2003 of the FSC, the pension insurance company which has rendered the decision on the objection shall send it to the insured person by letter with receipt confirmation.

(16) (Amended - 11.11.2011, former paragraph 15, amended - 19.12.2011, 20.07.2021) Where the application for a change of participation is submitted as an electronic document, the insured person may lodge an objection in accordance with the procedure and within the terms specified in paragraph 13 and 14, by electronic means with a qualified electronic signature. In this case, the correspondence between the pension assurance companies and that referred to in paragraph 15 shall be carried out in the same way, enclosing the document referred to in art. 5, paragraph 7, item 2 of Ordinance No. 3 of the FSC of 24.09.2003, if the refusal is indicated therein..

(17) (Amended - 11.11.2011, former paragraph 16, amended - 19.12.2011) The change of participation of the insured persons for whom the pension assurance company managing the general pension fund in which they are insured has cancelled its refusal shall continue in accordance with the procedure and within the terms of paragraph 18 - 23.

(18) (Amended - 11.11.2011, former paragraph 18, amended - 19.12.2011, former paragraph 19 - 26.11.2015, suppl. -15.03.2016, amended - 20.07.2021) An insured person who has submitted an application for change of participation may withdraw it by the 5th day of the months referred to in paragraph 22, in which the funds are transferred, from the pension assurance company to which he/she has submitted it, with a request in a form in accordance with Annex No. 5 of Ordinance No. 3 of the FSC of 24.09.2003. The request shall be submitted on paper with notarised signature, respectively as an electronic document signed with a qualified electronic signature of the insured person, through an employee or insurance intermediary of the company referred to in the first sentence, by mail with a letter with receipt confirmation or through the company managing the fund in which the person is insured. The request must be received by the pension assurance company referred to in the first sentence by the 5th day of the months referred to in paragraph 22 into which the funds are transferred.

(19) (Amended - 11.11.2011, former paragraph 19 - 19.12.2011, former paragraph 20, amended - 26.11.2015) The procedure for change of participation shall be terminated when:

1. there is a refusal to change participation or to consider the application;

2. the insured person has withdrawn the application;
3. (Repealed - 26.11.2015, effective from 01.01.2016, new- 15.03.2016)  
the pension assurance company has received from the NRA a notification of an application for change of insurance under art. 4B, paragraph 1 of CSI;
4. (new - 20.07.2021) the insured person who applied for the change of participation has died.

(20) (new - 11.11.2011, former paragraph 20, amended - 19.12.2011, former paragraph 21, amended - 25.01.2016) In the cases under paragraph 19, item 1-2, the insured person may submit a new application for change of participation.

(21) (new - 11.11.2011, former paragraph 22, amended - 19.12.2011, former paragraph 23, amended - 26.11.2015) The funds from the individual accounts of all persons with registered applications for change of participation during one quarter, in respect of whom the procedure for change of participation has not been terminated pursuant to paragraph 19 shall be transferred simultaneously to the bank accounts of the relevant general pension funds. The insurance relationship with the pension assurance company managing the fund in which the person wishing to change his/her participation is insured shall be terminated on the day on which the funds are transferred.

(22) (new - 11.11.2011, former paragraph 23, amended - 19.12.2011, former paragraph 24, amended - 26.11.2015, 20.07.2021) The funds referred to in paragraph 21 shall be transferred by the pension assurance companies on the dates of 15 May - for persons with registered applications in the first quarter, 15 August - for persons with registered applications in the second quarter, 15 November - for persons with registered applications in the third quarter, 15 February - for persons with registered applications in the fourth quarter of the preceding year or on the first working days following those dates. On the same dates, the part of the reserve guaranteeing the gross amount of the contributions paid into the general pension fund shall also be transferred, in the cases referred to in Article 42, item 2, for persons with registered applications in the corresponding quarters.

(23) (new - 20.07.2021) In the cases under art. 40, paragraph 1, item 3, the funds for the replenishment of the individual account shall be credited to it on the day of the transfer of the funds referred to in paragraph 22.

(24) (new - 11.11.2011, former paragraph 24, amended - 19.12.2011, former paragraph 24, amended 26.11.2015, former paragraph 23 - 20.07.2021) Within seven working days from the date of the transfer of the funds under paragraph 22, the pension assurance company that transferred the funds shall send to each person whose funds it transferred a statement from his/ her individual account. Depending on the choice of the insured person in the application for change of participation, the statement shall be sent by letter with receipt confirmation or by e-mail signed with a qualified electronic signature.

(25) (new - 11.11.2011, former paragraph 25, amended - 19.12.2011, former paragraph 26, amended - 26.11.2015, former paragraph 24 - 20.07.2021) The pension assurance company shall publish on its website the templates of the applications for change of participation, of the insurance contracts concluded in relation thereto and of the requests under paragraph 18, as well as the current documents with basic information about the insured persons.

### **Transfer of funds from the individual account pension schemes of to European Union, the European Central Bank and the European Investment Bank**

(New title - 17.01.2013)

Art. 45. (new - 17.01.2013, former art. 55 - 20.07.2021) (1) The insured person shall have the right to transfer the accumulated funds in the individual account in the general pension fund, in the pension schemes of the European Union, of the European Central Bank

and of the European Investment Bank.

(2) The transfer of the funds under paragraph 1 shall be carried out under the terms of Chapter thirty-eight "a" of the CSI and under the Ordinance on Transfer of Pension Rights.

**Choice for change of the insurance from the general pension fund to the Pensions Fund and to the Pensions for the persons under art. 69 Fund;**  
(New title - 26.11.2015)

Art. 46. (new- 26.11.2015, former art. 56 - 20.07.2021) (1) (amended - 14.05.2019, 20.07.2021) The insured person shall have the right to choose to change his/her insurance from the general pension fund to the pension fund, respectively to the pension fund for the persons referred to in Article 69, with an increased contribution, in the amount of the contribution for the general pension fund, if he/she has not been granted an old-age and insurable service pension and reaches the age required for him/her under Article 68, paragraph 1 of the CSI:

1. from 1 January 2022 to 31 December 2025 - not later than one year before his/her age referred to in Article 68, paragraph 1 of the CSI;
2. from 1 January 2026 to 31 December 2030 - not later than two years before his/ her age referred to in article 68, paragraph 1 of CSI;
3. from 1 January 2031 to 31 December 2035 - not later than three years before his/ her age referred to in article 68, paragraph 1 of the CSI;
4. from 01 January 2036 to 31 December 2037 - not later than 4 years before his/ her age referred to in article 68, paragraph 1 of the CSI;
5. After 1 January 2038 - not later than 5 years before his/ her age referred to in article 68, paragraph 1 of CSI.

(2) The person under paragraph 1 may exercise its right under paragraph 1 upon expiration of one year after its choice under art. 124A of CSI.

(3) (New - 14.05.2019) The insured person may exercise its choice under paragraph 1 by submitting application to the competent territorial directorate of the NRA. Insurance of the person pursuant to paragraph 1 shall occur on the first day of the month following the month of the choice.

(4) (Former paragraph 3, amended - 14.05.2019) The procedure for the choice of insurance, collection and allocation of the increased contribution for the persons under paragraph 1 shall be settled by Ordinance for the choice of insurance.

**Resumption of insurance in general pension fund**  
(New title - 26.11.2015)

Art. 47. (new- 26.11.2015, former art. 57 - 20.07.2021) (1) (amended - 25.01.2016 14.05.2019, 20.07.2021) The person who has changed his/her insurance under art. 46, paragraph 1 may resume his/her insurance in a general pension fund if he/she has not been granted an old-age and insurable service pension and has reached the age required for him/her under art. 68, paragraph 1 of the CSI:

1. from 1 January 2022 to 31 December 2025 - not later than one year before his/her age referred to in Article 68, paragraph 1 of the CSI;
2. from 1 January 2026 to 31 December 2030 - not later than two years before his/ her age referred to in article 68, paragraph 1 of CSI;
3. from 1 January 2031 to 31 December 2035 - not later than three years before his/ her age referred to in article 68, paragraph 1 of the CSI;
4. from 1 January 2036 to 31 December 2037 - not later than 4 years before his/ her age referred to in article 68, paragraph 1;



5. After 1 January 2038 - not later than 5 years before his/ her age referred to in article 68, paragraph 1 of CSI.

(2) (amended - 20.07.2021) The right under paragraph 1 is exercisable upon expiration of one year after the choice made under art. 46, paragraph 1.

(3) (New - 07.09.2016) The person who wishes to resume his/her insurance in the general pension fund shall submit an application for resumption of insurance, in a form in accordance with Annex No 5 to Ordinance No 33 of 19.09.2006 of the FSC, to the pension assurance company.

(4) (new- 07.09.2016, amended - 14.05.2019) Where the application for resumption of insurance is submitted on paper, the signature of the person on the first copy shall be notarized. Where the application for resumption of insurance is drawn up as an electronic document with a qualified electronic signature, the requirements under the AEDECS shall be complied with.

(5) (new- 07.09.2016, amended - 14.05.2019) The application for resumption of insurance shall be submitted by the person at the office of the pension assurance company, through her insurance intermediary or as an electronic document in accordance with the provisions of the AEDECS. The pension assurance company shall assist the person in performing all actions related to the submission of the application and shall provide him/her with up-to-date written information in accordance with Annex No. 6 to Ordinance No. 33 of the FSC of 19 September 2006. The provisions of art 8, paragraph 4 shall apply accordingly.

(6) (New- 11.09.2014) The pension assurance company shall not accept and shall return a paper application for resumption of insurance which is without notarised signature, an electronic application which is not signed with a qualified electronic signature of the insured person, as well as an application with incomplete data and/or with corrections, where as a result of these gaps and corrections the person who submitted the application cannot be identified or cannot be entered in the electronic register of submitted applications for resumption of insurance in the general pension fund, which the company is obliged to keep, the data under art. 6, paragraph 5 of Ordinance No.

33 of 19.09.2006 of the FSC. In each individual case the pension assurance company shall notify the person of the specific reason why his/her application for resumption of insurance has not been accepted.

(7) (New - 07.09.2016) The person who accepts the application for resumption of insurance shall assign to it an entry number and date and fill in the data specified for the company. When the application is submitted:

1. on paper - the employee of the company shall certify its acceptance by name, position and signature, and the insurance intermediary - by name, service number and signature, after which the second copy of the application shall be immediately returned to the person who submitted it, and the first copy shall remain with the pension assurance company;
2. - as an electronic document - an electronic copy thereof, signed with the electronic signature of the company, shall be sent to the person, at the e-mail address indicated in the electronic signature, immediately after receipt of the application at the company, respectively - on the first working day after that date, in case of submission during non-working hours or on a non-working day.

(8) (new- 07.09.2016, amended 14.05.2019) Simultaneously with the submission of the application for resumption of insurance, the person shall sign an insurance contract with the pension assurance company. The contract shall take effect on the first day of the month following the month of the application, provided that the requirements of Article 124a, paragraph 1 and 2 of the CSI are met.

(9) (new - 07.09.2016) After receiving from the NRA, according to the procedure and within the terms of Ordinance No. 33 of 19.09.2006 of the FSC, the information about the

invalid applications, the pension assurance company shall notify the persons with invalid applications, indicating the reason for this, by letter with return receipt or through an insurance intermediary - in writing against signature, within seven days after receiving the information from the NRA.

(10) (new - 07.09.2016) The transfer of funds for persons with valid applications for resumption of insurance shall be carried out by the NRA within the term referred to in Article 11, paragraph 5 of the Ordinance on the procedure for choosing insurance.

## **CHAPTER TEN**

(Former Chapter eight, amended - 20.07.2021)

### **CONDITIONS, PROCEDURE AND TEMRS FOR ONE-OFF OR DEFERRED PAYMENTS FROM AN INDIVIDUAL ACCOUNT IN THE GENERAL PENSION FUND**

#### **One-off or deferred payment of the funds from the individual account**

Art. 48. (1) The right to a one-off or deferred payment of the funds on the individual account shall have:

1. an insured person under art. 10, paragraph 1, item 5.
2. A heir-at-law of a deceased insured person.

(2) When the insured person has no heirs under paragraph 1, item 2, the accumulated funds in the individual account shall be transferred to the fund for the payment of life-long pensions.

(3) The insured person shall be entitled to a one-off or deferred payment of up to 50 per cent of the funds accumulated in his/ her individual account in the event of a permanently reduced working capacity exceeding 89.99 per cent.

(4) The total amount due in the cases referred to in paragraph 1 or that from which the one-off payment under paragraph 3 shall be determined by taking the number of shares in the individual account at the date of the order under paragraph 14, multiplied by the value per unit valid for the day preceding the day of the payment.

(5) The amount of the one-off payment to each heir shall be determined by the number of units in the individual account as of the date of the order under paragraph 14, shall be allocated among the heirs-at-law, applying accordingly art. 3, art. 4, paragraph 1 and articles 5 - 10a of the Inheritance Act. The funds due to the descendants of the insured person who have died after him/ her shall be paid equally to their descendants, the more immediate in degree shall exclude the more remote. The resulting number of units of each heir shall be multiplied by the value per unit in force on the day preceding the day of payment.

(6) The amount of the insured person's periodic payments shall be determined by the amount of the funds accumulated in the individual account in the cases referred to in paragraph 1, item 1 or the relevant part thereof indicated by the insured person in the cases referred to in paragraph 3, at the date of the order under paragraph 14 shall be divided by the number of payments.

(7) The amount of the periodic payments to each heir shall be determined as the number of units in the individual account as of the date of the order under paragraph 14, shall be allocated among the heirs-at-law, applying accordingly art. 3, art. 4, paragraph 1 and article 5 - 10a of the Inheritance Act. The funds due to the descendants of the insured person who have died after him/ her shall be paid equally to their descendants, the more immediate in degree shall exclude the more remote. The amount of funds due to each heir shall be divided by the number of payments.

(8) The monthly amount of the periodic payment under paragraph 6 and 7 on the date of its determination may not be greater than the minimum amount of the old-age and insurable

service pension under Article 68, paragraph 1 of CSI on that date and less than 15 per cent of its size. Where the calculated amount of the periodical payment is less than the minimum amount referred to in the first sentence, the funds in the individual account shall be paid one-off.

(9) The period of the deferred payment under paragraph 8 may be one, two, three, four or six months, and where the period chosen is greater than one month, the maximum and minimum amounts under paragraph 8 shall be increased twofold, threefold, fourfold or sixfold respectively.

(10) One-off or deferred payment shall be made on the basis of a written application in the form of the pension assurance company submitted by the persons referred to in paragraph 1 and 3 or by a person authorized by them, with a notarized explicit power of attorney.

(11) To the application form under paragraph 10 shall be enclosed a true copy of the original, verified by the officer accepting it or a notarized copy of the following documents:

1. in the cases under paragraph 1, item 2:
  - a) birth certificate of heir under 18 years of age; b) certificate of heirs;
  - c) (new - 14.05.2019) certificate of marriage.
2. in the cases referred to in paragraph 3 - the expert decision of the TEMC or NEM for permanently reduced working capacity exceeding 89.99 per cent, indicating in the application the specific percentage of the funds, within the statutory limit, which the insured person wishes to receive and the manner of its receipt - one-off or deferred.

(12) Where the application form is submitted by an authorised person, it shall be accompanied, in addition to the documents referred to in paragraph 11, the notarised explicit power of attorney shall be attached, either in the original or in a copy certified by the officer accepting it.

(13) When submitting the application form, the persons referred to in paragraph 1 and 3 or the attorney shall present an identity card or other official identity document.

(14) Upon acceptance of the application form, with regular documents attached, the pension assurance company shall, within 3 months of its registration, issue an order for the one-off or deferred payment.

(15) The order under paragraph 14 shall contain:

1. the name on the identity document, the personal number or similar data and the date of birth, for the foreign person, and the address of the insured person, respectively of the heir;
2. Incoming reference number and date of the application form;
3. The amount of money, number of shares and value per share in the individual account of the insured person as at the date of the order;
4. The amount and the period of payments - in case of deferred payment;
5. the procedure and the term for appealing the order to the pension assurance company.

(16) In case of an accepted application form with irregular and/or missing documents attached to it, the pension assurance company shall, within 15 days, notify the applicant in writing of the deficiencies.

(17) After the deficiencies have been corrected and the regular and/or new documents have been submitted, the pension assurance company shall issue the order within the period referred to in paragraph 14.

(18) (amended - 17.08.2021) Where within the period referred to in paragraph 14, the pension assurance company refuses the one-off or deferred payment, for which it shall notify the applicant in writing within 7 days from the date of expiry of the three-month period.

(19) In the notice under paragraph 18 shall state the reasons for the refusal.

(20) The insured person or the heir may, within 15 days from the date of receipt of the order under paragraph 14 or of the notice under paragraph 18, may lodge a written objection

thereto with the pension assurance company.

(21) The pension assurance company shall take a decision within 15 days from the date of receipt of the objection.

### **Contract for deferred payment from the individual account**

Art. 49. (1) The deferred payment referred to in article 48 shall be a contractual payment of the amount, or part thereof, accumulated in the individual account in several instalments, in equal periods.

(2) The deferred payment contract shall be concluded between the pension assurance company and an insured person or his/her heir for whom an order under Art. 14 is issued.

(3) The deferred payment contract shall be concluded in writing and must contain:

1. number, date of conclusion and entry into force and the term of the contract;
2. the name, head office, registered address, details of the commercial registration, number and date of the pension licence and the unique identification code of the pension assurance company;
3. the name and the unique identification code of the general pension fund, well as its identification code with the NRA;
4. the name of the person under paragraph 2 according to the identity document and personal number or similar data and date of birth, for the foreign person, number, date and place of issue of the identity card or legitimation document of the foreigner (type, series, number, date and place of issue, validity period), permanent and present address;
5. payment plan;
6. the order and manner of making periodic payments;
7. the rights of the heirs of the person referred to in paragraph 2;
8. the procedure for providing information to the contracting;
9. Expenses for the deferred payment;
10. the terms, procedure and manner of amendments and, for termination of the contract;

### **Amendment, addition and termination of the contract for deferred payment**

Art. 50. (1) The amendments and additions to the contract for deferred payment under art.

49 shall be carried out under the conditions and in accordance with article 18.

(2) The contract for deferred payment under art. 49 shall be terminated upon:

1. the death of the payee;
2. depletion of the funds in the individual account;
3. expiry of the periodic payment, in the cases referred to in art. 48, paragraph 3

(3) The specific date on which the contract referred to in paragraph 2 shall be terminated is as follows:

1. in the cases of paragraph 2, item 1 - from the date of the death;
2. in the cases of paragraph 2, item 2 and 3 - from the date of the last payment.

### **One-off payment of the funds from the individual account of an insured person entitled to a supplementary life-long old-age pension**

Art. 51. (1) An insured person who has acquired the right to a supplementary life-long old-age pension under art. 56, paragraph 1 shall be entitled to one-off payment of the funds in

the individual account when their amount, at the date of submission of application for their payment, is less than three times the amount of the minimum old-age and insurable service pension under article 68, paragraph 1 of the CSI, including after its replenishment in accordance with the procedure laid down in article 40, paragraphs 2 - 4.

(2) The application under paragraph 1 shall be submitted in the form of the pension assurance company and in accordance with the procedure of article 64, paragraphs 2 - 4.

(3) After the registration of the application under paragraph 1 and on the same date, the pension assurance company shall issue an order for a one-off payment of the funds in the individual account, which must contain:

1. the name on the identity document, the personal number or similar data and the date of birth, for the foreign person;
2. Date and incoming reference number of the application form under paragraph 1;
3. the amount of the funds, the number of units in the individual account of the insured person, respectively the supplemented amount of the funds in the cases referred to in art. 40, paragraph 1 and the supplemented number of units under article 40, paragraph 4, and the value per unit valid for the working day preceding the day of submission of the application under paragraph 1.

(4) For the order issued under paragraph 3 shall apply the rules of art. 64, paragraph 6 and 7.

(5) The funds under paragraph 3, item 3 shall be paid within five working days from the date of

submission of the application referred to in paragraph 1, the funds in the individual account of the insured person, respectively the supplemented amount of funds in the cases referred to in art. 40, paragraph 1, at the date of submission of the application under paragraph 1, shall be charged as a liability of the general pension fund on the day of the submission of the application under paragraph 1. The amount of the funds shall be determined as the number of units available in the individual account, respectively the replenished number referred to in article 40, paragraph 4, on the day of submission of the application referred to in paragraph 1 is multiplied by the value per unit valid for the working day preceding the day on which the application referred to in paragraph 1.

### **Terms for granting and payment and method of one-off and deferred payment**

Art. 52. (1) The deferred payment under art. 48 shall be granted from the first day of the month following the month in which the order under art. 48, paragraph 14 is issued.

(2) The deferred payment granted under article 48 and the one-off payments shall be paid:

1. to a personal payment account, marked with an 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 territory of the country;
2. By postal order.

(3) (new - 17.08.2021) Where the payment of the deferred or one-off payment is made abroad, the personal payment account referred to in paragraph 2, item 1 shall be maintained by a licensed provider in accordance with the legislation of the foreign country.

(4) (former paragraph 3 - 17.08.2021) The method of payment under para 2, item 1 or 2 chosen by the person shall be indicated in the application under art. 48, paragraph 10, respectively article 51, paragraph 1 and in the contract for deferred payments under Article 49 in the case of deferred payment.

(5) (former paragraph 4 - 17.08.2021) The deferred payment granted under Article 48 shall be paid from the 10th to the 15th day of the month to which it relates, respectively on the

last month of its period, if it is greater than one month.

### **Expenses for one-off or deferred payment of funds from the individual account**

Art. 53. (amended - 17.08.2021) The costs for a single or deferred payment of the funds from the individual account in the cases under:

1. article 52, paragraph 2 shall be at the expense of the general pension fund;
2. article 52, paragraph 3 shall be at the expense of the recipient of the payment.

### **Suspension and resumption of deferred payment**

Art. 54. (1) The pension insurance association shall suspend the payment of a deferred payment under Article 48, when

1. it was granted as a result of an obvious factual error;
2. it was granted as a result of a technical error in calculating its amount;
3. an error was made in its payment.

(2) The pension assurance company corrects an obvious factual and technical error under paragraph 1 within 15 days of its detection, after which it shall restore the payment of the deferred payment.

(3) In the cases of paragraph 1, when the deferred payment referred to in Article 48 has been paid in a lesser amount, the difference shall be paid in arrears within a period not exceeding 1 year from the date of its payment.

(4) In the cases of paragraph 1, where the deferred payment under article 48 has been paid at a larger amount, the difference shall be reimbursed by the payee as follows:

1. with a one-off payment within 30 days from the date of the written notification, or
2. with deductions from the deferred payment under article 48, in an amount not exceeding 20.0% of the periodic payment, until the full amount is recovered.

(5) In the cases of paragraph 1, item 1-3, in the case of a one-off payment of lower amount, the difference shall be paid within a period not exceeding 1 year from the date of the error detection.

(6) In the cases of paragraph 1, items 1 - 3, in the event of a one-off payment of the funds in a larger amount, the difference shall be reimbursed by the person who received the funds under paragraph 4, item 1. After the expiry of the 30-day period, the pension assurance company shall seek reimbursement of the sums due through the court.

(7) The pension assurance company shall suspend and reimburse the payment of a deferred amount under Article 48 by an order.

(8) The insured person or his/ her heirs may lodge an objection to the order under paragraph 7 to the pension assurance company within 15 days from the date of its receipt. The pension assurance company shall make a decision within 15 days of the date of receipt of the objection, repealing or confirming the order referred to in paragraph 7. 7.

### **Termination of deferred payment**

Art. 55. (1) A deferred payment under Art. 48 shall be terminated:

1. from the 1st day of the month following that in which the payee died;
2. when it is granted and paid on the basis of false information, false, forged or fraudulent documents.

(2) In the cases of paragraph 1, item 2, the termination of the deferred payment under art. 48 shall be made by order of the pension assurance company, based on a court decision establishing the circumstances that give the grounds for the termination. The rules of article 54, paragraph 8 shall apply to the order of the pension assurance company.

(3) In the cases referred to in paragraph 2, the amounts unduly received shall be reimbursed by the persons who received them in accordance with the procedure laid down in article 54, paragraph 1, item 1. After the expiry of the 30-day period, the pension assurance company shall seek reimbursement of the sums due through the court.

## **CHAPTER ELEVEN.**

(New - 20.07.2021)

### **CONDITIONS, PROCEDURE AND TERMS FOR PAYMENT OF SUPPLEMENTARY OLD-AGE PENSIONS AND DEFERRED PAYMENTS IN THE EVENT OF ENTITLEMENT TO A SUPPLEMENTARY OLD-AGE PENSION**

#### **Conditions for entitlement to a supplementary life-long old-age pension**

Art. 56. (1) The insured person shall acquire the right to a supplementary life-long old-age pension upon reaching the age referred to in article 68, paragraph 1 of the CSI.

(2) The insured person shall be entitled to a supplementary life-long old-age pension and up to one year before reaching the age referred to in article 68, paragraph 1 of the CSI, provided that the accumulated funds in his/ her individual account allow the granting of a pension in an amount not less than the minimum amount of the old-age and insurable service pension referred to in article 68, paragraph 1 of the CSI.

#### **Types of pensions**

Art. 57. (1) The supplementary life-long old-age pension shall be a monthly payment of a sum provided for in the pension contract, payable to the pensioner from a specified date until their death, the amount of which may not be less than 15 per cent of the minimum amount of the old and insurable service pension under Article 68, paragraph 1 of the CIS at the date of its determination.

(2) The pension assurance company grants the following types of pensions:

1. life-long pension without additional conditions;
2. life-long pension with a period of guaranteed payment;
3. life-long pension, including deferred payment of a part of the funds until reaching an age chosen by the pensioner.

(2) The period of guaranteed payment of the pension under paragraph 1, item 2 may be from two to ten years depending on the insured person's choice.

(3) The term and amount of the deferred payment and the amount of the life-long pension shall be determined according to the choice of the insured person, subject to the provisions of paragraph 1 and Article 58, paragraph 12 - 14.

(4) A socially insured person who has acquired the right to a supplementary old-age life-long pension shall have the right to choose the type of pension under paragraph 2 to be granted to them provided that the calculated monthly amount of the chosen pension, at the date of conclusion of the pension contract, is not less than the minimum amount pg.

(5) In cases of paragraph 4, when the calculated monthly amount of only one type of pension meets the minimum of paragraph 1, that type of pension shall be granted.

#### **Determination of the amount of supplementary life-long old-age pensions**

Art. 58. (1) The amount of the pensions referred to in art. 57, paragraph 2 shall be determined on the basis of:

1. the funds in the individual account of the insured person, respectively the

supplemented amount of these funds in the cases referred to in art. 40, paragraph 1 and in accordance with the procedure laid down in article 40, paragraph 2-4, taking into account the funds transferred under article 172 of the CSI;

2. Mortality and life expectancy table published by the National Institute of Statistics;
3. The technical interest rate approved by the FSC.

(2) Upon calculating of the pensions under art. 57, paragraph 2:

1. gender is not allowed as an actuarial factor;
2. in the first 6 months of the year, the statistical information referred to in paragraph 1, item 2 published in the previous year, and in the second half-year - statistical information referred to in paragraph 1, item 2 published in the current year.

(3) The pensions referred to in article 57, paragraph 2 shall be granted against the transfer to the fund for the payment of life-long pensions of the accumulated funds in the individual account of the insured person, respectively of the replenished amount of the funds in the cases referred to in article 40, paragraph 1.

(4) The funds under paragraph 3 shall be transferred:

1. on the day of conclusion of the pension contract and their amount shall be determined by multiplying the number of units available in the individual account, respectively the replenished number referred to in article 40, paragraph 4, on the day of conclusion of the pension contract by the value per unit valid for the working day preceding the day of the transfer or
2. at the latest on the working day following the date of conclusion of the pension contract, in which case the funds in the individual account of the insured person, respectively the replenished amount of the funds in the cases referred to in art. 40, paragraph 1, at the date of the contract, shall be charged as an obligation of the general pension fund to the fund for the payment of life-long pensions on the day of conclusion of the contract. The amount of the funds shall be determined by multiplying the number of units available in the individual account, or the replenished number under article 40, paragraph 4, on the day of conclusion of the pension contract by the value per unit valid for the working day preceding the day of conclusion of the contract.

(5) The amount of the pensions referred to in article 57, paragraph 2, as originally determined, and the updated and recalculated amount of those pensions, respectively, may not be altered, except by an update under article 71 and a recalculation under article 72.

(6) The initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 shall be calculated in accordance with paragraph 1 and 2 according to the following formula:

$$P = \frac{S}{K_1},$$

Where:

P - pension amount;

S - amount of the funds under paragraph 1, item 1;

$$K_1 = 12 * \left( \frac{M_x}{D_x} - \frac{11}{24} \right)$$

x - the person's age in whole years at the date of the pension contract, rounded up if six months or more have elapsed since the last whole year;

$D_x$  - discounted numbers representing the present value of future survivors at age x after applying the technical interest rate under paragraph 1, item 3 in effect at the date of the



pension contract:

$$D_x = l_x * v^x;$$

$$v = \frac{1}{1+r}$$

$r$  - technical interest rate under paragraph 1, item 3 at the date of conclusion of the pension contract;

$l_x$  - the number of survivors aged  $x$ , according to the mortality and life expectancy table in paragraph 1, item 2:

$$l_x = l_0 * \prod_{i=0}^{x-1} p_i$$

$p_i$  - survival probabilities, total for males and females, from the mortality and life expectancy table in paragraph 1, item 2;

$l_0$  - assumed initial number of persons aged 0 in the hypothetical cohort of the mortality table and average life expectancy in paragraph 1, item 2;

$N_x$  - commutative numbers representing the sum of the discounted survivor numbers from age  $x$  to the maximum age in the mortality and life expectancy table used under paragraph 1, item 2:

$$N_x = \sum_{i=x}^{\max} D_x$$

$\max$  - the maximum age in the mortality table.

(7) Where the initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 is guaranteed, in the cases referred to in article 59, paragraph 3, it shall be calculated in accordance with paragraph 1 and 2 and by the formula referred to in paragraph 6, the amount from which the pension is calculated ( $S$ ) being determined by the following formula:

$$S = Z*(1-R)$$

$Z$  - accumulated funds in the individual account under paragraph 1, item 1 at the date of conclusion of the pension contract;

$R$  - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the CSI.

(8) The initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 shall be calculated in accordance with paragraph 1 and 2 according to the following formula:

$$P = \frac{S}{K_2},$$

Where:

$P$  - pension amount;

$K_2 = 12 * \left( \frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right) + \frac{1-v^n}{1-12\sqrt{v}}$ , when the technical interest rate under paragraph 1, item 3 ( $r$ ) exceeds 0;

$K_2 = 12 * \left( \frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right) + 12n$ , when the technical interest rate under paragraph 1, item 3 ( $r$ ) is 0;

$x+d$  - the person's age in whole years at the date of the first payment after the end of the guaranteed period, rounded up if six months or more after the last whole year;  
 $n$  - guaranteed period (in years);

The indicators  $r$ ,  $x$ ,  $S$ ,  $N_x$ ,  $D_x$ , and  $v$  shall be determined according to paragraph 6.

$D_{x+d}$  - discounted numbers representing the present value of future survivors at age  $x$   $D$  after applying the technical interest rate under paragraph 1, item 3, and the formula for  $D_x$  shall apply respectively;

$N_{x+d}$  - commutative numbers representing the sum of the discounted survivor numbers from age  $x$   $d$ . to the maximum age in the mortality and life expectancy table used under paragraph 1, item 2, and the formula for  $N_x$  shall apply respectively.

(9) Where the initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 is guaranteed, in the cases referred to in article 59, paragraph 3, it shall be calculated in accordance with paragraph 1 and 2 and by the formula referred to in paragraph 8, the amount from which the pension is calculated ( $S$ ) being determined by the following formula:

$$S = Z^*(1-R)$$

$Z$  - accumulated funds in the individual account under paragraph 1, item 1 at the date of conclusion of the pension contract;

$R$  - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the CSI.

(10) The initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 shall be calculated in accordance with paragraph 1 and 2 according to the following formula:

$$P = \frac{S - \sum_{i=1}^m T_i}{K_g},$$

Where:

$P$  - pension amount;

$T_i$  - the discounted amount of the  $i$ -th payment with a discount factor  $v$ , where payments due at the date of the pension contract are not discounted:

$$T_i = H_i * v^{(b_i/12)}$$

$H_i$  -  $i$ -th payment amount;

$b_i$  - number of months from the date of the pension contract to the  $i$ -th payment;

$m$  - number of deferred payments as agreed with the person;

$$K_g = 12 * \left( \frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right)$$

$x+d$  - the person's age in whole years at the date of the first life-long payment rounded up if six months or more after the last whole year;

The indicators  $S$ ,  $x$ ,  $v$ ,  $N_x$ ,  $N_{x+d}$ ,  $D_x$  and  $D_{x+d}$  shall be determined according to paragraph 6.

(11) Where the initial monthly amount of the pension referred to in article 57, paragraph 2, item 1 is guaranteed, in the cases referred to in article 59, paragraph 3, it shall be calculated in accordance with paragraph 1 and 2 and by the formula referred to in paragraph 10, the amount from which the pension is calculated ( $S$ ) being determined by the following formula:

$$S = Z^*(1-R)$$

$Z$  - accumulated funds in the individual account under paragraph 1, item 1 at the date of conclusion of the pension contract;

R - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the CSI.

(12) The term of the deferred payment under paragraph 10 may not be longer than the average life expectancy of the person at the date of conclusion of the pension contract.

(13) The period of the deferred payment under paragraph 10 may be one, two, three, four or six months, and when the chosen period is greater than one month, the maximum and minimum amounts under paragraph 14 shall be increased twofold, threefold, fourfold or sixfold respectively.

(14) The monthly amount of the deferred payment on the date of conclusion of the pension contract may not be greater than the minimum amount of the retirement pension under article 68, paragraph 1 of CSI on that date and less than 15 per cent of its amount.

### **Guaranteed amount of supplementary life-long old-age pensions**

Art. 59. The guaranteed amount of the pensions referred to in article 57, paragraph 2 shall be equal to that calculated on the basis of the gross amount of the contributions paid in accordance with article 40, paragraphs 2 - 4, where the amount of the funds in the individual account of an insured person entitled to a supplementary old-age pension for life is:

1. less than the sum of the gross amount of the social security contributions paid by the NRA and the National Social Security Institute for that person or;
2. greater than the sum of the gross amount of the contributions paid by the NRA and the NSSI for that person and the person has chosen in the pension contract this guaranteed amount of the respective type of pension under article 57, paragraph 2, item 1, 2 or 3.

(2) In the cases referred to in paragraph 1, the guaranteed amount of the pension shall be calculated in accordance with art. 58, paragraph 1 and 2 and by the relevant formula under article 58, paragraph 6, 8 and 10, depending on the type of pension chosen by the person, and the amount of the funds from which the pension is calculated (S) in the relevant formula under article 58, paragraph 6, 8 or 10 shall be equal to that calculated on the basis of the gross amount of the contributions paid, calculated in accordance with article 40, paragraph 2-4.

(3) Where the amount of the funds referred to in art. 58, paragraph 1, item 1, at the date of conclusion of the pension contract, is greater than the sum of the gross amount of the contributions paid, calculated in accordance with article 40, paragraphs 2 to 4, for an insured person who has acquired the right to a supplementary life-long old-age pension and at his/her explicit wish, the guaranteed amount of the supplementary life-long old-age pension shall be equal to the amount of the first pension calculated in accordance with article 58, paragraph 7, 9 or 11.

(4) The pension referred to in article 57, paragraph 2, item 1, 2 or 3, with the amount guaranteed under paragraph 3 shall be granted only if that guaranteed amount is higher than the amount calculated under paragraph 1 и 2.

### **Fund for life-long pension payments**

Art. 60. The fund for the payment of life-long pensions shall be established by a decision of the management Board of the pension assurance company when the first supplementary life-long old-age pension is determined.

(2) The pension assurance company shall submit to the FSC, within three working days of the decision under par. 1, a request for entry of the Fund for payment of life-long pensions in the register under art. 30, paragraph 1, item 13 of the FSC Act, to which shall be attached:

1. the minutes of the decision of the management board to establish the fund for payment of life-long pensions;
2. the rules under article 144a of the CSI.

(3) The FSC shall decide on the request by a decision within 7 days of its receipt on the basis of a proposal by the Deputy Chairman of the FSC.

(4) The FSC shall refuse registration only where the decision to establish the fund has not been approved by the competent body of the pension assurance company or where the quorum or majority requirements have not been met.

(5) The fund for payment of life-long pensions shall be deemed to have been established upon the decision of the FSC on its entry in the register under article 30, paragraph 1, item 13 of the FCS Act.

(6) The Registry Agency shall enter the fund for the payment of life-long pensions in the BULSTAT register after the decision referred to in paragraph 5 has been submitted to it. The pension assurance company shall notify the FSC of the registration within three working days of its execution.

(7) The fund for payment of life-long pensions shall be formed from:

1. the funds transferred from the individual accounts of persons who have been granted a supplementary life-long old-age pension;
2. the funds transferred under paragraph 15, art. 48, paragraph 2 and art. 75, paragraph 7, item 2, and from the funds under art. 75, paragraph 7, item 1;
3. Income from investing the cash resources of the fund.

(8) From the fund for payment of life-long pensions:

1. the pensions granted under article 57, paragraph 2 and the amounts due to the heirs of the deceased pensioners in the cases referred to in article 75 shall be paid and the expenses for their payment under article 69, paragraph 2 shall be incurred;
2. expenses are incurred on the acquisition and disposal of its assets;
3. the fee referred to in article 201, paragraph 1, item 3 of the CSI shall be paid;
4. the funds under paragraph 14, item 1 and paragraph 16 shall be transferred;
5. payments other than those provided for in items 1 to 4 may not be made.

(9) The expenses of paying life-long pensions shall be the amount actually incurred, but not more than one lev per transaction. In the event that the expenses actually incurred for the payment of life-long pensions exceeds this amount, the pension assurance company shall reimburse the life-long pension fund for the excessive expenses.

(10) The fund for payment of life-long pensions shall be kept in levs. The valuation of its assets and liabilities is carried out at the end of each calendar month in accordance with the requirements of article 181 of the CSI.

(11) A separate analytical account shall be kept in the fund for payment of life-long pensions, which has not been used to update life-long pensions under article 71.

(12) The responsible actuary of the pension assurance company:

1. shall calculate the obligations towards pensioners with pensions granted under article 57, paragraph 2 and the heirs with inheritance rights of deceased pensioners who received pension referred to in article 57, paragraph 2, item 2 or 3 and the required amount of funds needed to cover them as at 31 December each year;
2. shall certify the calculations referred to in item 1 in the annual actuarial report of the Fund for the payment of life-long pensions.

(13) The pension assurance company shall at all times maintain sufficient resources in the fund for the payment of life-long pensions corresponding to its overall activity to guarantee the coverage of the insurance risks assumed.

(14) In the event that the calculation under paragraph 12, item 1, the amount of resources in the fund for the payment of life-long pensions is:

1. greater than 105 per cent of the amount of the liabilities to pensioners with pensions granted under article 57, paragraph 2 and the heirs with inheritance rights of deceased pensioners who received a pension under article 57, paragraph 2, item 2 or 3, the excess over 105 per cent may be transferred to the reserve under article 61;

2. between 100 per cent and 105 per cent of the amount due to pensioners with pensions granted under article 57, paragraph 2 and the heir with inheritance rights of deceased pensioners who received a pension under article 57, paragraph 2, item 2 or 3, the excess over 100 per cent shall remain in the Fund for the payment of life-long pensions.

(15) In the event that upon the calculation under paragraph 12, item 1, the amount of the Fund's resources for the payment of life-long pensions is lower than the amount of the liabilities to pensioners with pensions granted under article 57, paragraph 2 and to the heirs with inheritance rights of deceased pensioners who received a pension under article 57, paragraph 2, item 2 or 2, the pension assurance company shall replenish the difference with resources from the reserve under article 61, and in the event of a shortage of resources therein - with its own resources.

(16) Where, during the preceding 5 years, funds from the article 61 reserve have been used to cover a shortfall in the fund for the payment of life-long pensions, those funds shall be returned to the article 61 reserve to the extent of the excess referred to in paragraph 14, item 2.

(17) The requirements for the establishment and maintenance of the fund for the payment of life-long pensions, the calculation of the required amount of the funds therein and the excess under paragraph 14, the replenishment of the fund and the release of funds from it shall be determined by Ordinance No. 70 of 29.06.2021 of the FSC.

### **Reserve for guaranteed payment of life-long pensions**

Art. 61. (1) To cover the shortfall in the fund for the payment of life-long pensions, the pension assurance company shall establish a reserve to guarantee the payment of life-long pensions.

(2) The reserve referred to in paragraph 1 shall be formed by:

1. the surplus in the fund for the payment of life-long pensions referred to in article 60, paragraph 14, item 1;
2. the pension assurance company's own funds;
3. funds transferred under § 22 of the Transitional and Final Provisions.

(3) The funds of the reserve referred to in paragraph 1 may be used only to cover shortfalls in the fund for the payment of life-long pensions.

(4) The funds of the reserve referred to in paragraph 1 shall be invested in accordance with article 176, paragraph 2-4, art. 177 and article 178a of the CSI. Its assets and liabilities shall be valued at the end of each calendar month in accordance with Article 181 of the CSI. The requirements for the formation, calculation and maintenance of the reserve for guaranteeing the payment of life-long pensions, its replenishment and the release of funds from it shall be determined by Ordinance No. 19 of 08.12.2004 of the FSC.

### **Deferred payment of funds upon acquired right to supplementary life-long old-age pension**

Art. 62. (1) Where the funds in the individual account of an insured person who has acquired the right to a supplementary life-long old-age pension under article 56, paragraph 1, including after replenishment in accordance with article 40, paragraph 2-4, is insufficient for the granting of a supplementary life-long old-age pension in the amount referred to in article 57, paragraph 1, but exceed three times the amount of the minimum old-age and insurable service pension referred to in article 68, paragraph 1 of the CSI, on the date of determination of the value of the funds in the account, the insured person shall be entitled to receive them on a deferred basis.

(2) The deferred payment under paragraph 1 shall be determined on the basis of the funds in the individual account of the insured person, respectively the supplemented amount of these funds in the cases referred to in art. 40, paragraph 1 and in accordance with the procedure laid down in article 40, paragraph 2-4, taking into account the funds transferred under article 172 of the CSI.

(3) The period of the deferred payment under paragraph 8 may be one, two, three, four or six months, and where the period chosen is greater than one month, the maximum and minimum amounts under paragraph 4 shall be increased twofold, threefold, fourfold or six-fold respectively.

(4) The monthly amount of the deferred payment under paragraph 1 on the date of conclusion of the pension contract for deferred payment may not be greater than the minimum amount of the old-age and insurable service pension under article 68, paragraph 1 of CSI on that date and less than 15 per cent of its size.

(5) The guaranteed amount of the deferred payment under paragraph 1 shall be equal to that calculated on the basis of the amount of gross contributions paid according to art. 40, paragraph 2-4. At the time of the last payment, the sum of that payment and all previous payments may not be less than the guaranteed amount referred to in the first sentence.

(6) The pension assurance company shall make the deferred payment under paragraph 1 against transfer to the deferred payment fund of the accumulated funds in the individual account or of the replenished amount of funds in the cases referred to in art. 40, paragraph 1.

(7) The funds under paragraph 6 shall be transferred:

1. on the day of conclusion of the contract for deferred payment and their amount shall be determined by multiplying the number of units available in the individual account, respectively the replenished number referred to in article 40, paragraph 4, on the day of conclusion of the contract for deferred payment by the value per unit valid for the working day preceding the day of the transfer or
2. at the latest on the working day following the date of conclusion of the contract for deferred payment, in which case the funds in the individual account of the insured person, respectively the replenished amount of the funds in the cases referred to in art. 40, paragraph 1, at the date of the contract, shall be charged as an obligation of the general pension fund to the fund for deferred payments on the day of conclusion of the contract. The amount of the funds shall be determined by the number of units available in the individual account, respectively the replenished number as referred to in article 40, paragraph 4, on the day the contract for deferred payment is concluded multiplied by the value per unit valid for the business day preceding the day of conclusion of the contract.

(8) The granted deferred payments under paragraph 1, respectively the updated and recalculated deferred payments may not be changed except when an update under art. 71 and recalculation under art. 72 are made.

### **Fund for deferred payments**

Art. 63. (1) The deferred payment fund shall be established by a decision of the management board of the pension assurance company when determining the first deferred payment under article 62, paragraph 1.

(2) The Fund for deferred payments is formed by:

1. the funds transferred from the individual accounts of the persons to whom a deferred payment under article 62, paragraph 1 is granted;
2. the funds transferred under paragraph 7;
3. Income from investing the resources of the fund.

(3) In the Fund for deferred payments are kept:

1. analytical accounts of the persons whose funds have been transferred, in which

- entries shall be made of the funds transferred and the amounts paid to each person;
2. a separate analytical account for the part of the income not used to update the deferred payments under article 71.
- (4) From the Fund for deferred payments:
1. the deferred payments under article 62, paragraph 1 and the funds due to the heirs of the deceased persons who received such payments, and the expenses for their payment under article 69, paragraph 2 are paid;
  2. expenses are incurred on the acquisition and disposal of its assets;
  3. the fee referred to in article 201, paragraph 1, item 3 of the CSI shall be paid;
  4. the funds under paragraph 6, item 1 and paragraph 8 and art. 75, paragraph 7, item 2 shall be transferred;
  5. payments other than those provided for in items 1 to 4 may not be made.
- (5) The provisions of article 60, para 2-6, 9, 10, 12, 13 and 17 shall apply respectively to the establishment, management and calculation of the required amount of resources in the Fund.
- (6) In the event that upon the calculation under art. 60, paragraph 12, item 1, the amount of resources in for fund for the deferred payments is:
1. more than 105 per cent of the amount of the liabilities to the persons receiving deferred payments and their heirs, the excess over 105 per cent may be transferred to the article 41 reserve;
  2. between 100 per cent and 105 per cent of the amount of the liabilities toward the persons receiving deferred payments and their heirs, the excess over 100 per cent remains in the fund for deferred payments.
- (7) In the event that upon the calculation under art. 60, paragraph 12, item 1, the amount of the resources of the deferred payment fund shall be lower than the amount of the liabilities to the persons receiving deferred payments and their heirs, the pension assurance company shall replenish the difference with funds from the reserve referred to in article 41, and in the event of a shortfall in the reserve - with its own funds.
- (8) Where, during the preceding 5 years, funds from the article 41 reserve have been used to cover a shortfall in the fund for deferred payments, those funds shall be returned to the reserve to the extent of the excess referred to in paragraph 6, item 2.

### **Procedure for granting pension and deferred payment**

Art. 64. (1) For the granting of a supplementary life-long old-age pension, respectively of a deferred payment under article 62, paragraph 1, the insured person shall submit an application on a form of the pension assurance company, in which he/she shall indicate the type of pension under article 57, paragraph 2, items 1, 2 or 3 and the method of guaranteeing its amount under article 59, respectively the deferred payment, with the term and period of payment chosen by him/her, based on the information received from the pension assurance company on the types of pensions under article 57, paragraph 2 to which he/she is entitled and their estimated amount, respectively for the different options of the deferred payment.

(2) The application under paragraph 1 shall be submitted to the office of the pension assurance company, personally by the insured person.

(3) When submitting the application, the insured person referred to in paragraph 1 shall present an identity card or other official identity document to prove his/ her identity.

(4) The application signed by the insured person under paragraph 1 shall be accepted by an employee of the pension assurance company, who shall assign an incoming number and date and register it in the information system of the company.

(5) After the registration referred to in paragraph 4 and on the same date, the pension assurance company shall issue an order for the granting of a supplementary life-long old-age pension, or a deferred payment, which must contain:

1. the name on the identity document, the personal number or similar data and the date of birth, for the foreign person;
2. Date and incoming reference number of the application form under paragraph 1;
3. the amount of the funds, the number of units in the individual account of the insured person, respectively the supplemented amount of the funds in the cases referred to in art. 40, paragraph 1 and the supplemented number of units under article 40, paragraph 4, and the value per unit as of the date of conclusion of the pension contract.
4. the type and initial amount of the pension chosen in the application under paragraph 1 and its guaranteed amount, respectively the amount, the term and the period of the deferred payment under art. 62, paragraph 1;
5. the starting date of the pension, respectively of the deferred payment under article 62, paragraph 1.

(6) The order under paragraph 5 shall be provided to the insured person, who, having read its contents and if he/ she agrees with the type and amount and all other parameters of the pension, respectively of the deferred payment under art. 62, paragraph 1 specified in the order, signs it and dates its receipt.

(7) The order under paragraph 5 shall be signed in two identical copies - one for the insured person and the other for the pension assurance company.

### **Pension contract**

Art. 65. (1) A pension contract shall be concluded between the pension assurance company and an insured person who has acquired the right to a supplementary life-long old-age pension and who has submitted an application under art. 64, paragraph 1 and has signed the order referred to in article 64, paragraph 5.

(2) The pension contract shall be concluded in writing on the date of submission of the application under article 64, paragraph 1 and must contain:

1. number, date of conclusion and entry into force and the term of the contract;
2. the name, head office, registered address, details of the commercial registration, number and date of the pension licence and the unique identification code of the pension assurance company;
3. the name of the pensioner according to the identity document and personal number or similar data and date of birth, for the foreign person, number, date and place of issue of identity card or identity document of the foreigner (type, series, number, date and place of issue, validity period), permanent and present address;
4. the amount against which the pension assurance company undertakes to pay the supplementary life-long old-age pension;
5. The covered risks;
6. the type and initial amount of the pension, its guaranteed amount and the methods for updating and recalculating it;
7. term for receiving the pension;
8. order and method for payment of the pension;
9. rights of the pensioner's heirs, depending on the type of pension paid;
10. the procedure for providing information to the pensioner;
11. Expenses for payment of the pension;
12. the terms, procedure and manner of amendments and, for termination of the contract;

### **Amendment, addition and termination of the pension contract**



Art. 66. (1) Amendments and supplements to the pension contract shall be made under the conditions and in accordance with the procedure laid down in Art. 18.

(2) The parties to the pension contract may not make amendments to the pension contract with regard to the type of pension, the way it is calculated, the risks covered, the guaranteed amount and the duration of its receipt.

(3) The pension contract shall be terminated on the death of the pensioner - from the date of death.

### **Contract for deferred payment from the Fund for deferred payments**

Art. 67. (1) The deferred payment is a contractual payment of the amount, transferred to the fund for deferred payment, accumulated in the individual account, in several parts of equal amount, in equal periods.

(2) The Contract for deferred payment shall be concluded between the pension assurance company and an insured person who has acquired the right to a supplementary life-long old-age pension and who has submitted an application under art. 64, paragraph 1 and has signed the order referred to in article 64, paragraph 5.

(3) The deferred payment contract shall be concluded in writing and must contain:

1. Information under art. 49, paragraph 3, item 1, 2, 4-10;
2. Name and the unique identification code of the Fund for deferred payments;
3. The guaranteed amount of the payments under art. 62, paragraph 5.

### **Amendment, addition and termination of the contract for deferred payment**

Art. 68. (1) The amendments and additions to the contract for deferred payment under art.

67 shall be carried out under the conditions and in accordance with article 18.

(2) The contract for deferred payment under art. 67 shall be terminated upon:

1. (amended - 17.08.2021) the death of the payee;
2. expiration of the term of the periodic payment.

(3) The specific date on which the contract referred to in paragraph 2 shall be terminated is as follows:

6. in the cases of paragraph 2, item 1 - from the date of the death;
7. in the cases under paragraph 2, item 2 - from the first day of the month following the month in which the periodic payment expired.

### **Terms for granting and payment of the pension and deferred payment**

Art. 69. (1) The supplementary life-long old-age pension and the deferred payment under art. 64, paragraph 1 shall be granted as from the first day of the month following that in which the pension contract or the deferred payment contract referred to in article 67 was concluded.

(2) The supplementary life-long old-age pension and the deferred payment under art. 62, paragraph 1 shall be paid from the 10th to the 15th of the month to which they relate:

1. to a personal payment account, marked with an 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 territory of the country; or
2. By postal order.

(3) When the payment of the pension or the deferred payment under art. 62, paragraph 1 is made abroad, the personal payment account referred to in paragraph 2, item 1 shall be

maintained by a licensed provider in accordance with the legislation of the foreign country.

(4) Where the period of the deferred payment granted under art. 64, paragraph 1 is greater than one month, it shall be paid from the 10th to the 15th day of the last month of its period.

(5) The method of payment referred to in paragraph 2, item 1 or 2 of the pension, or of the deferred payment referred to in article 62, paragraph 1 chosen by the pensioner shall be specified in the pension contract or deferred payment contract referred to in article 67.

### **Expenses for payment of supplementary life-long old-age pension and the deferred payment**

Art. 70. (1) The expenses for the payment of the life-long pensions, respectively the deferred payments under art. 62. Paragraph 1 in accordance with art. 69, paragraph 2, in the amount of the actual expenses incurred but not more than one lev per transaction, shall be charged to the fund for the payment of life-long pensions, respectively to the fund for deferred payments.

(2) (suppl. - 17.08.2021) In case the actual expenses incurred for the payment of life-long pensions, respectively deferred payments under art. 62, paragraph 1 exceed the amount referred to in paragraph 1, the pension assurance company shall reimburse the respective fund under paragraph 1 the excess of the expenses incurred for the payment in accordance with article 69, paragraph 2.

(3) The expenses for the payment of life-long pensions, respectively deferred payments under art. 62, paragraph 1 according to art. 69, pars. 3 shall be borne by the pensioner.

### **Update of the supplementary life-long old-age pension and the deferred payment**

Art. 71. (1) The granted supplementary life-long old-age pensions and the deferred payments under art. 62, paragraph 1 shall be updated annually, as from the first day of April, with the guaranteed amount under art. 59, paragraph 1 or, respectively, under art. 62, paragraph 5 shall not change.

(2) The pensions under paragraph 1 shall be updated according to the technical interest rate on the basis of which their amount is calculated and the realised return on the investment of the fund's resources for the payment of life-long pensions during the period to which the update relates, on an annual basis.

(3) The deferred payments under paragraph 1 shall be updated according to the yield gained from investing the resources of the fund for deferred payments during the period to which the update relates on an annual basis.

(4) The update of pensions under pars. 1 shall be made by not less than 50 per cent of the excess of the realised return on the investment of the Fund's resources for the payment of life-long pensions over the period to which it relates and the technical interest rate on the basis of which their amount was calculated, equated on an equal basis.

(5) The update of the deferred payments under paragraph 1 shall be made by not less than 50 per cent of the return on the investment of the deferred payments fund during the period to which it relates.

(6) The specific percentage, within the limit, by which the update referred to in paragraphs 4 and 5 shall be made in the relevant year shall be determined by a decision of the management board of the pension assurance company.

(7) (new - 11.08.2022 r.) Each life-long pension or deferred payment shall be update by a percentage calculated on the basis of the decision under paragraph 1 and depending on the time, in number of days, during which the funds of the relevant pensioner or insured person have been managed in the Fund for payment of life-long pensions Doverie, respectively in the

Fund for deferred payments Doverie in the period of the update.

(8) (new - 11.08.2022 r.) For the needs of alignment on an equal basis and for reporting of the time under paragraph 7, during which the funds of the relevant pensioner or the insured person have been managed in the in the Fund for payment of life-long pensions Doverie, respectively in the Fund for deferred payments Doverie, shall be used the interest convention Actual number of days under paragraph 7/ Actual number of days in the period of updating.

(9) (former paragraph 7 - 11.08.2022) The amount of the pensions, respectively of the deferred payments, under paragraph 1 may be reduced as a result of the update only after the funds in the analytical account referred to in Article 60, paragraph 11, respectively article 63, paragraph 3, item 2 and may not be lower than the amount guaranteed under article 59, paragraph 1 or 3, article 62, paragraph 5 respectively.

### **Recalculation of supplementary life-long old-age pension and the deferred payment**

Art. 72. The supplementary life-long old-age pension, respectively the deferred payment under art 62, paragraph 1 by a person referred to in art. 19, paragraph 1, item 5 shall be recalculated, not more than once in a calendar year, on the basis of the accumulated amounts of the contributions or part thereof credited to his individual account, after:

1. conclusion of the pension contract or the deferred payment contract;
2. the previous recalculation of the pension, respectively the deferred payment;
3. One-off or deferred payment under art. 48, paragraph 1, item 1.

(2) The recalculation under paragraph 1 shall be carried out on the basis of an application submitted by a person referred to in article 10, paragraph 1, item 5 on a form of the pension assurance company.

(3) The application referred to in paragraph 2 shall be submitted and accepted in the manner and by the procedure set out in article 64, paragraph 1-4, where the person referred to in article 10, paragraph 1, item 5 wishes to receive the pension or deferred payment referred to in article 62, paragraph 1 to be recalculated on the basis of part of the funds referred to in paragraph 1, it shall specify the specific amount of those funds.

(4) The recalculation under paragraph 1 shall be carried out as from the first day of the month following the month in which the application referred to in paragraph 2 was submitted.

(5) The resources on the basis of which the recalculation under paragraph 1 is made, shall be transferred from the individual account of the person referred to in art. 10, paragraph 1, item 5 to the fund for payment of life-long pensions or deferred payment fund, as the case may be, on the date referred to in paragraph 4 or, where that date is a non-working day, on the first working day following that date.

(6) The amount of the funds referred to in paragraph 5 shall be determined by the number of units in the individual account of the person referred to in article 10, paragraph 1, item 5 available on the date referred to in paragraph 5, or part of it where the recalculation is carried out with part of the funds in the account, multiplied by the value per unit valid for the day preceding the day on which the funds are transferred to the fund for payment of life-long pensions or the deferred payment fund, as the case may be.

(7) On the day of the transfer of the funds referred to in paragraph 5, the pension assurance company shall issue an order for recalculation of the supplementary life-long old-age pension, respectively of the deferred payment referred to in article 62, paragraph 1, which must contain:

1. the name on the identity document, the personal number or similar data and the date of birth, for the foreign person;
2. Date and incoming reference number of the application form under paragraph 2;

3. the amount of the funds on the basis of which the recalculation was made, the number of units and the value per unit;
4. the recalculated amount of the supplementary life-long old-age pension, respectively the deferred payment under art. 62, paragraph 1;
5. the starting date of the recalculation.

(8) Within seven days from the date of the order under paragraph 7, a supplementary agreement to the pension contract, respectively the deferred payment contract, shall be signed with the person referred to in article 10, paragraph 1, item 5 for the recalculation.

(9) The order under paragraph 7 and the additional agreement under paragraph 8 shall be provided to the person under art. 10, paragraph 1, item 5 who after getting to know their content and if agrees with the recalculated amount and any other parameters, indicated in the order and the additional agreement, shall sign them by placing the date of receipt on the order under para 7.

(10) The order under paragraph 7 and the additional agreement under paragraph 8 shall be signed in two identical copies - one for the person referred to in article 10, paragraph 1, item 5 and the other for the pension assurance company.

### **Suspension and resumption of the payment of the supplementary life-long old-age pension and the deferred payment**

Art. 73. (1) The pension assurance company shall suspend the payment of the supplementary life-long old-age pension and the deferred payment under art. 62, paragraph 1, when:

1. They have been granted as a result of an obvious factual error;
2. they have granted as a result of a technical error in calculating their amount;
3. an error was made upon their payment.

(2) The pension assurance company corrects an obvious factual and technical error under paragraph 1 within 15 days of its detection, after which it shall restore the payment of the pension, respectively the deferred payment under art. 62, paragraph 1.

(3) In the cases of paragraph 1, when the supplementary life-long old-age pension, respectively the deferred payment under art. 62, paragraph 1 has been paid at a lower rate, the difference shall be paid in respect of the past-due period within a period not exceeding one year from the date of the restoration of payment of the supplementary life-long old-age pension or deferred payment referred to in article 62, paragraph 1.

(4) In the cases of paragraph 1, when the supplementary life-long old-age pension, respectively the deferred payment under art. 62, paragraph 1 is paid at a larger amount, the difference shall be reimbursed by the pensioner as follows:

1. with a one-off payment within 30 days from the date of the written notification, or
2. with deductions from the supplementary life-long old-age pension, respectively the deferred payment under article 62, para 1, in an amount not exceeding 20.0% of the monthly payment, until the full amount is recovered.

(5) In the cases of paragraph 1 upon one-off payment of the amounts under art. 75 at a lower rate, the difference shall be paid within a period not exceeding 1 year from the date of the error detection.

(6) In the cases of paragraph 1, upon one-off payment of the funds under art. 75 in a larger amount, the difference shall be reimbursed by the person who received the funds under paragraph 4, item 1. After the expiry of the 30-day period, the pension assurance company shall seek reimbursement of the sums due through the court.

(7) The pension assurance company shall suspend and restore the payment of the supplementary life-long old-age pension and the deferred payment under art. 62, paragraph 1 by an order.

(8) The pensioner may lodge an objection to the order under paragraph 7 to the pension assurance company within 15 days from the date of its receipt. The pension assurance company shall make a decision within 15 days of the date of receipt of the objection, repealing or confirming the order referred to in paragraph 7. 7.

### **Termination of the supplementary life-long old-age pension and the deferred payment**

Art. 74. (1) The supplementary life-long old-age pension shall cease on the 1st day of the month following that in which the pensioner died.

(2) The deferred payment under art. 62, paragraph 1 shall be granted from the 1st day of the month following the month in which:

1. The pensioner died;
2. The deferred payment term has expired.

### **One-off payment to the heirs of a pensioner receiving supplementary life-long old-age pension or the deferred payment**

Art. 75. (1) In the event of the death of a pensioner receiving a pension under article 57, paragraph 2, item 2, before the expiry of the guaranteed payment period, the present value of the payments due to him/ her until the end of the guaranteed payment period shall be paid one-off to his/ her heirs at law, subject to the corresponding application of article 3, article 4, paragraph 1 and art. 5 - 10a of the Inheritance Act. The funds due to the pensioner's descendants who have died after him/ her shall be paid equally to their descendants, the more immediate in degree excluding the more remote.

(2) Upon the death of a pensioner receiving a pension under article 57, paragraph 2, item 3, during the deferred payment, to the heirs under paragraph 1 shall be paid a one-off sum equal to the present value of the deferred payments due after his/ her death in accordance with the deferred payment plan provided for in the contract with the deceased.

(3) On the death of a pensioner receiving a deferred payment under article 62, paragraph 1, to the heirs under paragraph 1 shall be paid one-off the balance of the payments due to the deceased.

(4) Upon the death of a pensioner receiving a payment under paragraph 1 - 3, the outstanding amount shall be updated according to the procedure for updating the payment to the deceased, until the payment due to the respective heir is made.

(5) The renunciation of the inheritance of the deceased shall not deprive the heirs under paragraph 1 from their rights under paragraph 1 - 3.

(6) The receipt of funds under paragraph 1 - 3 shall not be considered as acceptance of inheritance.

(7) Where there are no heirs under paragraph 1:

1. the funds due under paragraph 1 and 2 shall remain in the fund for the payment of life-long pensions;
2. the funds due under paragraph 3 shall be transferred in the fund for the payment of life-long pensions.

(8) The one-off payments under paragraph 1-3 shall be made by the order and the procedure of art. 48.

## **CHAPTER TWELVE.**

(New - 05.05.2004, former Chapter Eleven - 20.07.2021)

## **RIGHTS AND OBLIGATIONS OF THE PENSION ASSURANCE COMPANY, INSURED**

**PERSONS, PENSIONERS AND THEIR HEIRS**  
(Title amended - 14.05.2019)

**Rights and obligations of the pension assurance company**

Art. 76. (amended - 05.05.2004, former art. 56 - 17.01.2013, former art. 57 - 26.11.2015, amended - 14.05.2019, former art. 59, amended - 20.07.2021) (1) In carrying out its activities, the pension assurance company shall perform the obligations and exercise the rights provided for in the CSI, the by-laws for its implementation, its Articles of Association and this Rules.

(2) In addition to the rights and obligations set out above in this Rules, the pension assurance company shall:

1. select and enter into contracts with investment intermediaries, investment advisers and a custodian bank;
2. provide, in accordance with the requirements of the documents referred to in paragraph 1, to the persons who will be insured in the general pension fund, to the insured persons, pensioners and their heirs, the information which must:
  - a) be accurate;
  - b) be regularly updated;
  - c) is written in clear, unambiguous, precise and comprehensible language, avoiding the use of professional jargon and professional terminology if these can be replaced by commonly understood terms;
  - not be misleading and is consistent in its expression and content;
  - e) be presented in a way that is easy to read; f) be presented in Bulgarian;
  - g) be provided free of charge.
3. provide the information referred to in item 2 electronically, including by e-mail, on a durable medium or through its website, or on paper, depending on the choice of the persons referred to in item 2. Where the person concerned has not made a choice as to how the information is to be provided, it shall be provided on paper;
4. acquaint the insured persons with the Rules and the investment policy of the general pension fund, and with any amendments and supplements thereto, and provides them, upon request, with a certified copy thereof;
5. (new - 20.07.2021) acquaint persons who intend to conclude a pension or deferred payment agreement under article 67 with the rules of the fund for payment of life-long pensions and/ or the fund for deferred payments and provide them, upon request, with a certified copy thereof;
6. (former clause 5, amended - 20.07.2021) provide the insured persons and the persons receiving deferred payment under art. 62, paragraph 1, upon request, information on the actual return achieved on their individual accounts, respectively analytical accounts;
7. (former clause 6, amended - 20.07.2021) upon request, shall issue to each insured person or pensioner a unique identifier, which shall provide him/her with electronic access to the data in his/her individual account or to the data in the analytical account under article 63, paragraph 1, item 1 in which his/ her transferred funds are held and to enable him/ her to consult and trace his/her social insurance history;
8. (former item 7 - 20.07.2021) upon request, provide, within 7 days, to the insured person, to the pensioner, respectively to the heir of the insured person or to the pensioner, a copy of an electronic document in his/her electronic file, on paper or on electronic media;
9. (new - 20.07.2021) send free of charge to the persons who receive payments from

the Fund for deferred payments, by 31 May each year, an extract from the analytical accounts article 63, paragraph 3, item 1, in which their carry-forward funds are held, for the preceding calendar year, and shall provide them with information on their analytical accounts on request;

10. (new - 20.07.2021) provide to an insured person who has acquired the right to a pension from the general pension fund, upon request, information on:
  - a) the amount of the accumulated funds in his/ her individual account and the amount of the gross amount of the contributions received in the account, determined in accordance with article 40, paragraph 2 and 3;
  - (b) the types of payments it proposes, the methods for their recalculation and updating, the rights of the heirs and the estimated amount of the first pension, respectively the term and the estimated amount of the deferred payment, based on the information referred to in letter "a" and the formula for the respective type of payment determined by Ordinance No. 69 of 15.06.2021 of the FSC.
11. (amended - 08.07.2019, former item 8 - 20.07.2021) process the personal data of insured persons, pensioners and their heirs, as an administrator, in compliance with the requirements of the General Data Protection Regulation (Regulation (EU) 2016/679), the Personal Data Protection Act and other applicable national and European legislation;
12. 12. (former item 9 - 20.07.2021) may not provide, to third parties, the information in its possession about insured persons, pensioners, their heirs and insurers, except in the cases provided for by law;
13. (former item 10 - 20.07.2021) examine the alerts and complaints received and reply in writing to the persons who have submitted them within 30 days of their receipt.

(3) (new - 20.07.2021) The information referred to in paragraph 2, item 10, letter "b" shall also be provided to an insured person in a general pension fund managed by another pension insurance company, on the basis of the information provided by the person under paragraph 2, item 10, letter „a“.

(4) (4) (new - 08.07.2019, 20.07.2021) The original paper documents and electronic documents, such as applications (for choice of the general pension fund, for the change of participation, for the resumption of the insurance in the general pension fund, for the transfer or withdrawal of funds, etc.), contracts (insurance, pension and deferred payment), orders and other acts of the pension assurance company for determining the amount of one-off and periodic payments, as well as other documents, data and information relevant for the exercise of the rights of the insured persons in the general pension fund, pensioners or their heirs shall be stored by the pension assurance company for a term not shorter than 50 years effective from the termination of the relevant insurance relationship.

### **Rights and obligations of the insured**

Art. 77. (amended - 05.05.2004, former art. 57 - 17.01.2013, former art. 58 - 26.11.2015, amended - 14.05.2019, former art. 60, amended - 20.07.2021) (1) The persons insured in the general pension fund shall have the relevant rights and obligations provided for in the CSI, the by-laws for its implementation and this Rules.

(2) In addition to the rights and obligations set out above in this Rules, the insured persons in the general pension fund

1. are entitled:

- a) (amended - 20.07.2021) to receive, according to the requirements of the documents under paragraph 1, information that must meet the requirements of art. 76, paragraph 2, item 2;
- (b) to choose the method of obtaining the information referred to in letter "a" -

electronically, including by e-mail, on a magnetic media or through the website of the pension assurance company, or on paper. Where the person concerned has not made a choice as to how the information is to be provided, it shall be provided on paper;

c) to become acquainted with the Rules and the investment policy of the general pension fund and any amendments and supplements thereto, and receive, upon request, a certified copy thereof;

d) to receive, on request, information on the actual return achieved on their individual accounts;

e) to be issued, on request, with a unique identifier that provides them with electronic access to the data in their individual account and allow them to make enquiries and track their insurance history;

f) to receive, on request, within 7 days, a copy of electronic document in their electronic dossier, on hard copy or electronic carrier;

g) to submit signals and complaints regarding errors, omissions and violations in the activities of the insurance intermediaries and employees of the pension assurance company, as well as against the refusal to issue them a copy of the document under letter „e“;

h) to report to the Board of Trustees and the FSC for violations in the activities of the pension assurance company.

2. (new - 20.07.2021) who have acquired the right to a pension from the general pension fund shall have the right to receive from the pension assurance company, upon request, information on:

a) the amount of the accumulated funds in their individual accounts and the amount of the gross amount of the contributions received in the account, determined in accordance with article 40, paragraph 2 and 3;

b) the types of payments that the company proposes, the methods for their recalculation and updating, the rights of the heirs and the estimated amount of the first pension, respectively the term and the estimated amount of the deferred payment, based on the information referred to in letter "a" and the formula for the respective type of payment determined by Ordinance No. 69 of 15.06.2021 of the FSC.

3. (former item 2 - 20.07.2021) shall notify the pension assurance company of any change in their personal data, which are processed by it in connection with their insurance in the general pension fund, by submitting the relevant documents, as well as for changes in other circumstances that are relevant for the performance of its obligations.

(3) (new - 20.07.2021) An insured person who has acquired the right to a pension from the general pension fund shall have the right to receive the information referred to in paragraph 2, letter 2, letter "b" from a pension assurance company managing another relevant fund on the basis of the information referred to in paragraph 2, item 2, letter. „a“.

### **Rights and obligations of the pensioners, their heirs and the heirs of insured persons**

(New title - 14.05.2019)

Art. 78. (new- 14.05.2019, former art. 61, amended - 20.07.2021) (1) The pensioners, their heirs and heirs of the insured in the general pension fund shall have the relevant rights and obligations provided for in the CSI, the by-laws for its implementation and this Rules.

(2) (Amended - 08.07.2019, 20.07.2021) In addition to the rights and obligations specified above in this Rules:

1. The pensioners also have:



- a) the rights under article 77, paragraph 2, item 1, letter "a", "b", "e", "f", "g" and "h", and the obligations under article 77, paragraph 2,
  - b) the right to receive, on request, information on the actual return achieved on their analytical accounts when receiving a deferred payment under Article 62, paragraph 1.
2. the heirs of a pensioner shall have the rights under article 77, paragraph 2, item 1, letter "a", "b", "f", "g" and "h", and the obligations under article 77, paragraph 2, item 3.
  3. the heirs of to the insured person have the rights under art. 77, paragraph 2, item 1, letter "a", "b" "f", "g" and "h", and the obligations under article 77, paragraph 2, item 3.

**Rights of the insured and the pensioners upon transformation and termination of the pension assurance company and the general pension fund**  
(Title amended - 05.05.2004)

Art. 79. (amended - 05.05.2004, former art. 58 - 17.01.2013, former art. 59 - 26.11.2015, former art. 61 - 14.05.2019, former art. 62 - 20.07.2021) (1) In case of transformation or termination of a pension assurance company or of a general pension fund, the company managing the respective fund to which the individual account of the insured person has been transferred shall notify him/her about the transfer and about his/her rights within one month from the date of the transfer.

(2) In the cases referred to in paragraph 1 and according to the procedure provided for therein, the pensioners shall also be notified of the transfer.

(3) (amended - 14.05.2019) Within one month from the notification under paragraph 1, the insured persons shall have the right to transfer the funds in their individual account to a general pension fund of their choice, in accordance with the procedure laid down in Chapter Nine, without complying with the requirements of article 171, paragraph 1 of the CSI.

(4) For persons who have not exercised their rights under paragraph 3 within the prescribed period shall be deemed to have tacitly confirmed their participation in the general pension fund to which their individual account was transferred as a result of the conversion or termination.

**Rights and obligations of the employers**

Art. 62. (amended - 05.05.2004, former art. 59 - 17.01.2013, former art. 60 - 26.11.2015, repealed - 14.05.2019)

**Amendments and additions to the Rules**

Art. 80. (amended - 05.05.2004, former art. 60 - 17.01.2013, former art. 61 - 26.11.2015, former art. 63 - 20.07.2021) (1) (amended - 13.07.2011) Amendments and supplements to the Rules shall be made by resolutions of the Management Board of the pension assurance company.

(2) (amended - 14.05.2019) The amendments and additions to the Rules shall enter into force after their approval by the FSC.

(3) (amended - 14.05.2019) The pension assurance company shall notify the insured persons of the specific amendments and supplements to the Rules on the organization and activities of the general pension fund in person or by publication in two central daily newspapers within one week of receipt of the decision of the FSC.

## TRANSITIONAL AND FINAL PROVISIONS

§ 1. (Repealed - 05.05.2004)

§ 2. The Rules were adopted by resolution of the General Meeting of Shareholders of the pension assurance company, Minutes No. 18/02.10.2000, amended and supplemented in accordance with the instructions of the State Agency for Social Insurance Supervision by Minutes No. 20/22.01.2001, amended and supplemented by Minutes No. 23 of the General Meeting of Shareholders of 25.09.2001, Minutes No. 25 of the Ordinary Annual General Meeting of the Shareholders of 29.03.2002 Minutes No. 26 of the extraordinary General Meeting of the shareholders of 24.06.2002 Minutes No. 29 of the extraordinary General Meeting of the shareholders of 15.11.2002 Minutes No. 30 of the extraordinary General Meeting of the shareholders of 22.01.2003 Minutes No. 34 of the extraordinary General Meeting of the shareholders of 23 12 2003 Minutes No. 38 of the extraordinary General Meeting of the shareholders of 05 05 2004 Minutes No. 40 of the extraordinary General Meeting of shareholders of 25.03.2005, Minutes No. 41 of the Ordinary Annual General Meeting of Shareholders of 11.04.2005, Minutes No. 42 of the Extraordinary General Meeting of Shareholders of 14.11.05, Minutes No. 43 of the Extraordinary General Meeting of Shareholders of 15.12.2005, Minutes No. 45 of the Extraordinary General Meeting of Shareholders of 26.10.2006, Minutes No. 46 of the Extraordinary General Meeting of

shareholders of 21.12.2006, Minutes No. 248 of the Management Board of 13.07.2011, Minutes No. 251 of the Management Board of 08.09.2011, Minutes No. 253 of the Management of 11.11.2011, Minutes No. 256 of the Management Board of 19.12.2011, Minutes No. 277 of the Management Board of 10.12.2012. Minutes No. 280 of 17.01.2013 of the Management Board, Minutes No. 292 of 03.10.2013 of the Management Board, Minutes No. 305 of 11.09.2014 of the Management Board, Minutes No. 321 of 26.11.2015 of the Management Board, Minutes No. 325 of 25.01.2016 of the Management Board, Minutes No. 326 of 15.03.2016 of the Management Board, Minutes No. 333 of 07.09.2016 of the Management Board, Minutes No. 349 of 16.10.2017 of the Management Board, Minutes No. 370 of 19.02.2019 of the Management Board. Minutes No. 378 of 14.05.2019 of the Management Board, Minutes No. 380 of 08.07.2019 of the Management Board, Minutes No. 414 of 20.07.2021 of the Management Board, Minutes No. 417 of 17.08.2021 of the Management Board, Minutes № 433 of 11.08.2022 of the Management Board.

§ 3. (amended - 14.05.2019) The amendments and supplements adopted by the decision on Minutes No. 370 of 19.02.2019 of the Management Board are approved by Decision No. 484

UPF of 22.03.2019 of the Financial Supervision Commission. The amendments and supplements adopted by the decision under Minute No. 378 dated 14.05.2019 of the Management Board and the decision under Minute No. 380 dated 08.07.2019 of the Management Board were approved by the Decision No. 911 - UPF dated 30.07.2019 of the Financial Supervision Commission. The amendments and supplements adopted by the decision under Minute No. 414 dated 20.07.2021 of the Management Board and by the decision under Minute No. 417 dated 17.08.2021 of the Management Board were approved by the Decision No. 625 - UPF dated 26.08.2021 of the Financial Supervision Commission. The amendments and supplements adopted by the decision on Minutes No. 433 of 11.08.2022 of the Management Board were approved by the Decision No.752 - УПФ of 15.09.2022 of the Financial Supervision Commission.

§ 4. (Repealed - 05.05.2004)

§ 5. (new - effective from 21.05.2003) (1) The provisions of this Rules shall apply to the

insured persons in the Bulgarian General Pension Fund managed by the Bulgarian Pension Assurance Company AD after its merger into the General Pension Fund Doverie.

(2) The insurance contracts concluded with the Bulgarian Pension Insurance Company AD for insurance in the Bulgarian General Pension Fund continue to be in force after the date of the merger, as the party to the contracts becomes Pension Assurance Company Doverie AD, which after the merger is the general successor of the Bulgarian Pension Assurance Company AD.

(3) Changes in the insurance contracts referred to in paragraph 2 after the merger may be made by additional agreements to them, concluded between the insured persons and Pension Insurance Company Doverie AD under the terms and conditions of this Rules.

(4) Termination of the insurance contracts referred to in paragraph 2 after the merger may be carried out under the terms and conditions of this Rules.

(5) The contributions for the insured persons in the "Bulgarian General Pension Fund" after the merger shall be paid into the accounts of the General Pension Fund Doverie in accordance with the terms and conditions of this Rules, without the conclusion of supplementary agreements to the insurance contracts.

§ 6. (new - effective from 21.05.2003) Bulgarian Pension Assurance Company AD, at least 1 month before the date of the merger of the Bulgarian General Pension Fund into the General Pension Fund Doverie, shall send written notification to the insured persons in the "Bulgarian General Pension Fund", informing them of:

1. The decision of the General Meeting of Shareholders of the Bulgarian Pension Assurance Company AD of 17.06.2002 on the merger of the Bulgarian General Pension Fund and the Bulgarian Professional Pension Fund - Fund for Supplementary Compulsory Pension Insurance managed by it into the respective funds managed by the PENSION ASSURANCE COMPANY DOVERIE AD;
2. The resolution of the General Meeting of the shareholders of PENSION ASSURANCE COMPANY DOVERIE AD of 24.06.2002, giving consent to the merger of "Bulgarian General Pension Fund" and "Bulgarian Professional Pension Fund - Fund for Supplementary Compulsory Pension Insurance" in the respective funds managed by PENSION ASSURANCE COMPANY DOVERIE AD;
3. The amendments and additions to the Rules on the organisation and operation of the GENERAL PENSION FUND DOVERIE which are effective after the date of the merger;
4. The amount of accumulated funds in the individual account of the insured person in the Bulgarian General Pension Fund as of the last day of the month preceding the month in which the notification is sent;
5. The right of the insured person in the "Bulgarian General Pension Fund" to continue to be insured in the GENERAL PENSION FUND DOVERIE after the date of the merger;
6. The right, the procedure, the manner and the terms for transfer by the insured person of the accumulated funds on his/ her individual account from the "Bulgarian General Pension Fund" to a general pension fund managed by another pension insurance company.

§ 7. (New - effective from 21.05.2003) PENSION ASSURANCE COMPANY DOVERIE AD within 1 month after the date of the merger, shall send a written notification to the insured persons in the "Bulgarian General Pension Fund" who have not transferred the accumulated funds on their individual accounts to a general pension fund managed by another pension insurance company as of the date of the merger, informing them of:

1. Their social insurance number in the GENERAL PENSION FUND DOVERIE;
2. The amount of funds in their individual social insurance account in "Bulgarian General Pension Fund" at the date of the merger, which is used to certify their individual account in the GENERAL PENSION FUND DOVERIE.

§ 8. (new - effective from 21.05.2003) The amendments and additions to the Rules adopted by Minutes No. 29/15.11.2002, Minutes No. 30/22.01.2003 of the Extraordinary General Meeting of the Shareholders of PAC Doverie AD shall enter into force as of the date of the entry in the court of the merger of the Bulgarian General Pension Fund into the General Pension Fund Doverie.

§ 9. (new - 05.05.2004) (1) Until 30.06.2004 the distribution of the realised income from the investments of the resources of the general pension fund shall be carried out every month.

(2) The amount of investment income and its distribution shall be approved by a decision of the Management Board of the pension assurance company.

(3) The distribution of the investment income in the individual accounts of the insured persons in the general pension fund shall be made in proportion to the accumulated and newly received (as of the date of receipt) amounts in the individual accounts.

§ 10. (new - 05.05.2004) The annual statement from the individual account for 2003 and the statements to be provided upon request of the insured person and upon transfer of the funds in the individual account to a general pension fund managed by another pension insurance company shall be prepared and sent according to the form approved by the Deputy Chairperson of the FSC by Decision No 566 of 30.12.2003.

§ 11. (new - 05.05.2004) (1) Until 30.06.2004. the income due to any insured person who has changed his/her participation for the period from the date of the valuation of assets and liabilities as at the last working day of the month preceding the month of the transfer until the date of the transfer of funds from his/her individual account shall be credited to the account of the general pension fund to which he/she has transferred on the 15th day of the month following the month of the transfer or on the first working day following that date.

(2) Simultaneously with the remittance of the income due under paragraph 1, the pension assurance company managing the general pension fund from which the person has transferred shall send to each person who has changed his/ her participation a statement of his/ her individual account.

§ 12. (new - 05.05.2004) The accounting of the accumulated funds in the individual accounts of the insured persons in units and the determination of the value of a unit shall apply from 1 July 2004.

§ 13. (new - 05.05.2004) The amount of the reserve under article 37 shall be determined as a percentage of the assets of the general pension fund managed by the company, and may not be less than:

1. For 2004 - 0,4%;
2. For 2005 - 0,6%;
3. For 2006 - 0,8%;
4. For 2007 and after that - 1%;

§ 14. (amended - 11.04.2005) (1) The persons referred to in Art. 4, paragraph 1, item 4 of the CSI, with the exception of those referred to in article 127, paragraph 5 of the CSI, who

made a choice of the general pension fund before 01.01.2003, shall participate in it from 01.01.2004.

(2) For the persons referred to in paragraph (1), the two-year period referred to in art. 53 shall begin on 01.01.2004.

§ 15. The annual statement from the individual account for 2004 shall be prepared and sent according to the form approved by the Deputy Chairperson of the FSC by Decision No. 40 - POD / 04.02.2005.

§ 16. (new- 26.10.2006, Repealed - 14.05.2019)

§ 17. (new- 26.10.2006, Repealed - 14.05.2019)

§ 18. (new- 26.10.2006, Repealed - 14.05.2019)

§ 19. (new- 26.10.2006, Repealed - 14.05.2019)

§ 16. (new - 26.10.2006, former § 20 - 14.05.2019) The forms of the applications for participation approved by the Governor of the NSSI by Instruction No. 3/2001 on the order for submission of applications for participation in general pension fund, as well as application for participation, approved by Financial Supervision Commission by Decision No. 343-3 of 17. 05. 2006 shall be accepted and registered with the NRA until 20. 12. 2006.

§. 17. (new - 11.11.2011, former § 21 - 14.05.2019) (1) The amendments and supplements to the Rules, adopted by the decision of the Management Board under Minutes No. 253 of 11.11.2011, shall enter into force on 01.01.2012.

(2) The processing of applications for a change of participation made up to and including 31 December 2011, the payment of the transfer fee and the insurance relationship with the persons who made them shall be governed by the provisions in the Rules in force until the changes referred to in paragraph 1 come into force.

§. 18. (new - 10.12.2012, former § 22 - 14.05.2019) (1) The amendments and supplements to article 8 of the Rules, adopted by the decision under Minute No. 277 of 10.12.2012 of the Management Board, shall enter into force on 22.02.2013.

§. 19. (new - 11.09.2014, former § 23 - 14.05.2019) (1) The amendments and supplements to article 8 of the Rules, adopted by the decision under Minute No. 305 of 11.09.2014 of the Management Board, shall enter into force on 21.10.2014.

§ 24. (new- 26.11.2015, amended - 25.01.2016, repealed - 14.05.2019)

§ 20. (New - 20.07.2021) The pension assurance company shall transfer the amount of the reserve for guaranteeing the minimum return, formed with own funds, in accordance with the requirements of article 36, by 31.08.2021.

§ 21. (new - 20.07.2021) The pension assurance company shall establish the reserve under article 41 by 31.08.2021, and a part of the funds released from the reserve under article 36 shall be transferred to it after the amount thereof has been transferred in accordance with § 20.

§ 22. (new - 20.07.2021) Until the establishment of the Fund, payment of life-long

pensions under art. 60, in the cases of art. 48, paragraph 2 and art. 75, paragraph 7, item 2, the funds in the individual account in the general pension fund of a deceased insured person, respectively the balance of the payments due to a deceased person receiving a deferred payment under art. 62, paragraph 1 shall be transferred to the reserve for guaranteeing the payment of life-long pensions under article 61.

§ 23. (new - 20.07.2021) (1) Upon its establishment under art. 192a, paragraph 1 - 5 of the CSI, the fund for payment of life-long pensions under Article 60 shall be formed from the funds of the persons insured in the general pension fund with whom pension contracts have been concluded by the end of the third working day after the registration of the fund for payment of life-long pensions under Article 60 in the BULSTAT register.

(2) The funds in the individual accounts of the persons referred to in paragraph 1, after their replenishment, if necessary, in accordance with article 40, paragraphs 2 - 4, shall be charged as an obligation of the general pension fund to the fund for the payment of life-long pensions under Article 60 on the day of conclusion of the pension contract with the person concerned at the value per unit valid for the working day preceding the conclusion of the contract.

(3) The funds accrued under paragraph 2 shall be transferred to the fund for the payment of life-long pensions under article 60 within three working days after its entry in the BULSTAT register.

§ 24. (new - 20.07.2021) (1) Upon its establishment under art. 192b, paragraph 1 and 5 related to art. 192A, paragraph 2-5 of the CSI, the deferred payment fund under art. 63 shall be formed from the funds of the persons insured in the general pension fund with whom deferred payment contracts have been concluded under art. 62 paragraph 1 by the end of the third working day following the entry of the deferred payment fund in the BULSTAT register.

(2) The funds in the individual accounts of the persons referred to in paragraph 1, after their replenishment, if necessary, in accordance with article 40, paragraphs 2 - 4 shall be charged as an obligation of the general pension fund to the fund for deferred payments under article 63 on the day of conclusion of the contract for deferred payment with the person concerned at the value per unit valid for the working day preceding the conclusion of the contract.

(3) The funds accrued under paragraph 2 shall be transferred to the fund for deferred payments under art. 63 to the analytical accounts of the relevant persons within three working days after entry of the Fund in the BULSTAT register.