BULGARIAN INDUSTRIAL ASSOCIATION UNION OF THE BULGARIAN BUSINESS

The Bulgarian experience in helping

businesses to move to formality

www.bia-bg.com

The Contribution payment centres in Bulgaria

Also known in other countries as

Payroll Administration Services

Or

Social Secretariats

Legally based on a government ordinance from 2001 by virtue of the Social Security Code

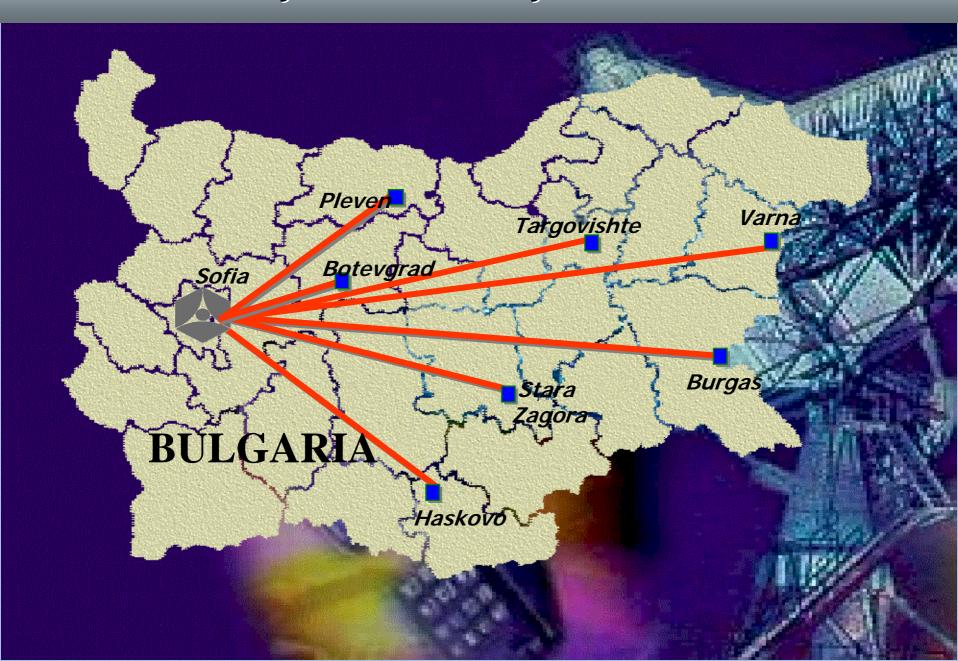
The Contribution payment centres (CPC) and their <u>main objectives</u>:

- to collect contributions due for public social security, supplementary mandatory pension insurance, health insurance, and to transfer them to the respective accounts of the National Revenue Agency
- · in case of occurrence of an insurance event to pay benefits and assistance due to the insured persons
- to create and keep records related to the social security of the CPC members

Informal Economy Symposium, ILO, Geneva, Nov 2007

- Project started in Bulgaria beginning of 2005 with the active support by the ILO Bureau for Employers' Activities (ACT/EMP)
- 7 contribution payment centres (CPC) set up by regional employers' organisations /part of BIA network/
 - in major Bulgarian cities
- Bulgarian association of CPC established on 28
 November 2006 /collective member of BIA/
- The network of regional CPC created by using the model of the Belgian licensed social secretariats

Contribution Payment Centres by EO's in the BIA network



Informal Economy Symposium, ILO, Geneva, Nov 2007

Why CPC by Employers' Organisations?

- · Employers' organisations must inform members about the regulations and their obligations
- Employers' organisations have the opportunity to provide more and better quality services to members
- Members are assisted in dealing with the complexity of new legislative acts and regulations on taxes, social contributions, registration, licenses etc.
- Brings to light SME's and craftsmen activities <u>small</u> companies do not want to emerge from the shadow economy because of the social security paperwork, lack of knowledge of legal regulations and time to do all this

CPC – National Revenue Agency and National Social Security Institute

- CPC can work as an intermediary between the social security institutions and companies
- Software developed to communicate with NRA and NSSI and to submit declarations via e-signature
- These institutions have more confidence in the propriety and accuracy of the CPCs
- Companies would benefit from being relieved of the burden of document preparation and spending a lot of time standing in line in the authorities offices

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Thank you for your attention! Merci de votre attention!

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