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**Mass Dismissals Under Bulgarian Law**

29 April 2020

8 Tsar Kaloyan str. 2-nd floor, 1000 Sofia, Bulgaria Tel.: + 359 2 933 09 79 Fax: + 359 (2) 981 81 34

e-mail: [office@delchev-lawfirm.com](mailto:office@delchev-lawfirm.com) web: [www.delchev-lawfirm.com](http://www.delchev-lawfirm.com)

## What are mass dismissals?

According to the Bulgarian Labour code mass dismissals are at hand, if the following criteria are met:

Criterion 1a: a certain number of employees whose employment agreements are terminated; and

Criterion 1b: a certain total number of the employees in the enterprise in the month preceding the mass dismissals.

The hypotheses are, as follows:

- at least 10 dismissed employees, if the total number of the employees in the enterprise in the month preceding the mass dismissals is at least 20 and not higher than 100;
- at least 10% dismissed employees of the total number of the employees, if the total number of employees in the enterprise in the month preceding the mass dismissals is at least 100 and not higher than 300;
- at least 30 dismissed employees, if the total number of employees in the enterprise in the month preceding the mass dismissals is 300 or higher.

Criterion 2: A certain period of time during which the employment agreements are terminated

In the general scenario the period is 30 days.

Criterion 3: The legal grounds for the dismissals are among the grounds related to the discretion of the employer and not related to a specific employee.

Such grounds include *inter alia*:

- staff reduction;
- decrease in work volume;
- closing of a part of the enterprise;
- cease of work for more than 15 working days;
- closing down of an entire enterprise, etc.

There also exists an interpretation that the termination ground under art. 331 of the Bulgarian Labour Code (termination at the employer's initiative against payment of compensation of at least 4 salaries) should also be deemed included in the scope of the definition.

## What are the general obligations of the employer?

The employer is obligated to:

1. provide certain information in writing to the representatives of the syndicates and the representatives of the employees (including, but only, information on the causes of the planned dismissals, the number of the employees to be dismissed, the due compensations related to the dismissals, etc.);

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2. conduct consultations with the representatives of the syndicates and the representatives of the employees and to make efforts to reach an agreement with them in order to avoid or mitigate the mass dismissals and their negative consequences. The consultations must be conducted at least 45 days before the mass dismissals;
3. send a notification to the National Employment Agency concerning the planned mass dismissals at least 30 days before the dismissals. The content of the notification is defined by law. A copy of the notification to the National Employment Agency should be presented to the representatives of the syndicates and the representatives of the employees.

The planned mass dismissals should be done after the expiration of 30 days from the notification to the National Employment Agency, irrespective of the prior notices' terms for termination.

### Potential consequences of non-compliance

Potential consequences include:

- Levying an administrative sanction on the employer (and potentially on the director) for infringing the labour legislation;
- BGN 200 sanction for every employee dismissed without a prior notification to the National Employment Agency. In case of good number of dismissed employees, this sanction may turn out to be significant.

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