

## Financing adult learning database

<b>Name of the instrument - Local language</b>	възстановяване на разходи за обучение
<b>Name of the instrument - English translation</b>	Payback clause
<b>Scheme ID</b>	33
<b>Country</b>	 Bulgaria
<b>Reporting year</b>	2020
<b>Type of instrument</b>	Payback clause
<b>Sub-type of instrument</b>	Payback clauses are possible with no explicit limitations
<b>Type of entry</b>	Single instrument
<b>Short description</b>	Employers and employees can agree on a payback clause. In compensation for employer-provided/financed training, employees commit themselves to stay in the company for an agreed period or (partially) pay back the costs of training. According to the Labour Code, this period differs according to the type of the training contract: contract for acquiring qualification: 6 years, apprenticeship contract: 3 years; contract for higher qualification training and retraining: 5 years. Payback clauses are possible for any type of education.
<b>Level of operation</b>	National
<b>Name of a part of the country</b>	Not applicable
<b>Name of the region (for regional instruments)</b>	Not applicable
<b>Name of the sector (for sectoral instruments)</b>	Not applicable
<b>Relevance</b>	Further instrument
<b>Legal basis</b>	Labour Code (Art. 229-234)
<b>Objective(s) and target(s)</b>	Reducing employers' risk of investment in VET

<b>Year of implementation</b>	1986
<b>Operation/management</b>	The General Labour Inspectorate, under the Ministry of Labour and Social Affairs, manages the employee's rights and obligations including the payback clause.
<b>Eligible group(s)</b>	All employers
<b>Group(s) with preferential treatment</b>	No preferential treatment
<b>Education and training eligible</b>	Payback clauses are possible for any type of education
<b>Source of financing and collection mechanism</b>	Employer funds training, employee provides (partial) repayment eligible training costs in case of premature departure from the company
<b>Financing formula and allocation mechanisms</b>	The Labour Code defines a maximum period that an employee may be liable to work in the same company after completion of training financed by employer. This period differs according to the type of the contract: contract for acquiring qualification (Art. 229) = 6 years; apprenticeship contract (Art. 232) = 3 years; contract for higher qualification training and retraining (Art. 234) = 5 years. The employee is obliged to pay back the costs of training to the employer in case of employee's voluntary resignation within binding period, dismissal due to a serious contract break or non-termination of the training. In case of apprenticeship contract, the amount to be reimbursed to the employer may not exceed 3 times the minimum monthly salary for the country. The conditions for reimbursement of training costs laid down in the Labour Code are general. More detailed conditions may be endorsed in the individual contract between employer and employee.
<b>Eligible costs</b>	No specific regulation on the costs which can be covered by the payback clause.
<b>Volumes of funding</b>	Not applicable
<b>Beneficiaries/take up</b>	Not applicable
<b>Organisation responsible for monitoring/evaluation</b>	Not applicable
<b>Most relevant webpage - in English</b>	Not available
<b>Recent changes</b>	Recent changes in response to COVID-19  No changes
<b>Sources</b>	Labour Code2. <a href="http://www.mlsp.government.bg/bg/law/law/KODEKS_na_truda.rtf3">http://www.mlsp.government.bg/bg/law/law/KODEKS_na_truda.rtf3</a> . Cedefop Database on Financing Adult Learning  <a href="http://www.cedefop.europa.eu/FinancingAdultLearning/DisplayCountryDetail...">http://www.cedefop.europa.eu/FinancingAdultLearning/DisplayCountryDetail...</a>

