

Financing adult learning database

Name of the instrument - Local language	възстановяване на разходи за обучение
Name of the instrument - English translation	Payback clause
Scheme ID	33
Country	 Bulgaria
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible with no explicit limitations
Type of entry	Single instrument

Short description	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.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Labour Code (Art. 229-234)
Objective(s) and target(s)	Reducing employers' risk of investment in VET

Year of implementation	1986
Operation/management	The General Labour Inspectorate, under the Ministry of Labour and Social Affairs, manages the employee's rights and obligations including the payback clause.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Payback clauses are possible for any type of education
Source of financing and collection mechanism	Employer funds training, employee provides (partial) repayment eligible training costs in case of premature departure from the company
Financing formula and allocation mechanisms	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.
Eligible costs	No specific regulation on the costs which can be covered by the payback clause.
Volumes of funding	Not applicable
Beneficiaries/take up	Not applicable
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	Not available
Recent changes	Recent changes in response to COVID-19 No changes
Sources	Labour Code2. http://www.mlsp.government.bg/bg/law/law/KODEKS_na_truda.rtf 3. Cedefop Database on Financing Adult Learning http://www.cedefop.europa.eu/FinancingAdultLearning/DisplayCountryDetail...

