01. Does your country have a statutory retirement age, if so, what is it?

Bulgaria

Authors: Youliana Naoumova
at Djingov, Gouginski, Kyutchukov & Velichkov

Yes, there is a statutory age which must be reached (along with meeting other conditions) for an individual to be eligible to retire on old age pension. From 1st of January 2025 the statutory retirement age for women and men is, respectively:

- **women** must be aged 62 years and 4 months, and have a social security contribution history of at least 36 years and 8 months;
- **men** must be aged 64 years and 8 months, and have a social security contribution history of at least 39 years and 8 months.

Both men and women who meet the contribution requirements for a full pension but have not yet reached the required pensionable age, can choose to retire one year earlier than such age and receive a reduced pension. Pensionable age and minimum contribution history are subject to gradual increase (until the age of 65 is reached as a milestone).

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02. Are employers permitted to specify a contractual retirement age within an employee's contract of employment?

Bulgaria

Authors: Youliana Naoumova
at Djingov, Gouginski, Kyutchukov & Velichkov

No, the retirement age is set out in the law and cannot be subject to a contractual arrangement. A stipulation on an earlier retirement age is not valid. The employer and the employee could choose to continue employment after the retirement pension is granted, subject to the general employment legislation.

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03. What are the legal implications for employers that enforce a mandatory retirement age?

Bulgaria

Authors: Youliana Naoumova
at Djingov, Gouginski, Kyutchukov & Velichkov

Once an employee becomes eligible to retirement (old-age) pension (i.e., has reached the age *and* has the required contribution history), whether or not the employee has chosen to exercise his/her right to retire and receive pension, the employer may terminate the employment relationship with notice.

When an employee has acquired the right to retire on pension (i.e., has reached the age *and* has the required contribution history) and irrespective whether he/she has exercised such right, the employee will – at any case of termination and irrespective of the legal grounds, and provided that the employee has not received such compensation before - be entitled to a specific “gratification” payment of (i) the employee’s six (6)-months gross remuneration, provided that he/she has acquired ten years length of service with the same employer or in the same group of undertakings for the previous twenty years; or (ii) his/her two (2)-month gross remuneration, otherwise.

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04. Are 'early retirement incentive packages' allowed? If yes, are taxes imposed on them?

Bulgaria

Authors: Youliana Naoumova
at Djingov, Gouginski, Kyutchukov & Velichkov

Early retirement based on contractual undertakings is not enforceable in Bulgaria. Indeed, an employer may incentivize an employee to terminate his/her employment relationship (upon mutual consent or by the employee, with notice) by offering certain payments. Such incentives, being treated as severance amounts or bonus payments, are normally taxed as income from employment.

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Contributing editors

Contributors

Youliana Naoumova, *Djingov, Gouginski, Kyutchukov & Velichkov, Bulgaria*