

Reading Time: 2 minutes

Planning an expansion to Bulgaria comes with the promise of many positive effects — you can hire talented new employees, form important business relationships, and push your company across borders. However, you also need to focus on the more difficult aspects, such as setting up your Bulgaria payroll, [following employment compliance laws](#), and running a new company location.

Fortunately, Globalization Partners can take the stress of expansion off your shoulders and onto our own. We'll use our [Employer of Record platform](#) to set up your Bulgaria payroll so that it complies with local laws, then hire employees and assign them to work for you. All compliance will fall to us instead of you, so you can grow your company without worrying about payroll.

What Taxation Rules Exist for Payroll?

Employees and employers must make contributions to the National Social Security Fund. All employees get indemnity payments from the fund, and the Social Security Budget Act determines the amount each person receives.

Contributions to social security include:

- 17.3% of gross salary for basic social security
- 5% of gross salary for pension insurance
- 8% of gross salary for health insurance

Employers pay 60% of the percentages above, and employees cover the remaining 40%. As an employer, you're also responsible for paying 0.4 to 1.1% of gross salaries for accident insurance.

Bulgaria Payroll Options

Companies have several different Bulgaria payroll options, including:

- **Internal:** If you plan to operate a large subsidiary in Bulgaria, you may want to set up internal payroll. Often, doing so works only for large companies with large budgets since there's a requirement to hire a full HR team.
- **Remote:** You can also choose to add your subsidiary's employees to your parent company's payroll and compensate employees remotely. However, your employees from each location will have separate regulations that you need to follow.
- **Bulgaria payroll processing company:** If you would rather outsource your payroll, you

can work with a local Bulgaria payroll processing company. While this option will take payroll off your plate, you'll still be responsible for compliance.

- Bulgaria payroll outsourcing: Globalization Partners is the Bulgaria payroll outsourcing solution that deals with both payroll and compliance. We'll run your payroll and take on compliance while we do it.

Requirements to Set up Your Bulgaria Payroll

If you would rather set up your Bulgaria payroll your own way, you'll have to [establish a subsidiary](#) first. The subsidiary setup process can take weeks or months depending on where you are in Bulgaria and which entity you incorporate as. Globalization Partners can take this step out of the equation through Bulgaria payroll outsourcing. We'll handle your payroll and compliance to give you more time to focus on your company.

Entitlement and Termination Terms to Know

We recommend adding entitlement and termination terms to an employment contract before hiring employees. Bulgaria allows probationary periods for up to six months, and you can terminate an employment contract with or without notice depending on the circumstances or mutual consent. Severance pay is not required by law, but employees are entitled to one month's salary of redundancy pay for individual or collective dismissal on economic grounds.

Choose Globalization Partners Today

Globalization Partners can help make your expansion to Bulgaria easier. Contact us today to learn more.