

## **EFFECTS OF THE MAXIMUM TAXABLE INCOME FOR SOCIAL SECURITY ON INCOME INEQUALITY**

**Daniela Penkova<sup>1</sup>**

### **Abstract**

This article analyzes the structure of the Social Security system in Bulgaria in order to determine whether and to what extent it contributes to increasing income inequality. An analysis of the Social Security systems of other countries in the European Union shows that such is not applied in most of them, and where it is applied, it has significantly higher thresholds. In order to stop the increase of inequality through the Social Security system, it is necessary for the country to be as close as possible to the European Social Security practices.

**Key words:** maximum taxable income for social security; income inequality; social Security; redistribution of income

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<sup>1</sup> PhD student in the Department of General Economic Theory - University of Economics - Varna 77 Knyaz Boris I Blvd., Varna 9002 [daniela\\_penkova@ue-varna.bg](mailto:daniela_penkova@ue-varna.bg)