Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1995 (social insurance); 1997 (social insurance); 2000 (individual accounts); and 2002 (social assistance), implemented in 2003.

Type of program: Universal (disabled person care allowance), social insurance (disability benefits), notional defined contribution (NDC), mandatory individual account, and social assistance system.

Note: Municipalities provide social assistance benefits (means tested and conditional) to the needy.

Coverage

Social insurance (disability pension): Employed and self-employed persons, persons caring for a child younger than age 18 months, and persons receiving maternity, paternity, or parental benefits.

Voluntary coverage for the spouse of a self-employed person younger than the normal retirement age and not receiving an old-age pension; and for micro-enterprise employees.

NDC (old-age and survivor benefits): Employed and self-employed persons, unemployed persons with disabilities, recipients of certain social insurance benefits, spouses of military personnel and diplomatic personnel abroad, and persons who perform temporary public work.

Voluntary coverage for permanent residents of Latvia aged 15 or older who are not subject to compulsory insurance and receive no old-age pension, for the spouse of a self-employed person younger than the normal retirement age and receiving no old-age pension, and for micro-enterprise employees.

Mandatory individual account (old-age pension): Employed and self-employed persons younger than age 30 on July 1, 2001.

Voluntary coverage for persons aged 30 to 49 on July 1, 2001.

Universal and social assistance: Resident citizens of Latvia and noncitizens with permanent residence permits and a personal identity number.

Source of Funds

Insured person

Social insurance, NDC, mandatory individual account: 11% of covered earnings, plus administrative fees for the individual account.

Of the combined insured person and employer contribution of 35.09% of covered earnings, 14% finances the NDC pension and 6% is directed to the individual account.

The combined insured person and employer contribution also finances disability pensions, sickness and maternity benefits, parental benefits, medical benefits, work injury benefits, and unemployment benefits.

For salaried workers, the minimum annual earnings used to calculate contributions are the legal annual minimum wage; for wage workers the minimum daily earnings used to calculate contributions are the legal hourly minimum wage.

The legal annual minimum wage is €5,160.

The legal hourly minimum wage based on a 40-hour week is €2.69.

The maximum annual earnings used to calculate contributions are €55,000.

Universal and social assistance: None.

Self-employed person

Social insurance, NDC, mandatory individual account: 32.15% of covered declared earnings.

Of the self-employed person’s total contribution, 14% of covered declared earnings finances the NDC pension and 6% is directed to the individual account. The self-employed person’s contribution also finances sickness and maternity benefits, parental benefits, and medical benefits.

The minimum annual declared earnings used to calculate contributions are the legal annual minimum wage.

The legal annual minimum wage is €5,160.

The maximum annual declared earnings used to calculate contributions are €55,000.

Universal and social assistance: None.

Employer

Social insurance, NDC, mandatory individual account: 24.09% of covered earnings.

Of the combined insured person and employer contribution of 35.09% of covered earnings, 14% finances the NDC pension and 6% is directed to the individual account.

The combined insured person and employer contribution also finances disability pensions, sickness and maternity benefits, parental benefits, medical benefits, work injury benefits, and unemployment benefits.
For salaried workers, the minimum annual earnings used to calculate contributions are the legal annual minimum wage; for wage workers the minimum daily earnings used to calculate contributions are the legal hourly minimum wage.

The legal annual minimum wage is €5,160.
The legal hourly minimum wage is €2.69.
The maximum annual earnings used to calculate contributions are €55,000.

**Universal and social assistance:** None.

**Government**

**Social insurance, NDC, mandatory individual account:**
Contributes for residents of Latvia who receive certain social insurance benefits or are caring for a child younger than age 18 months, for unemployed persons with disabilities, and for temporary workers in the public sector as well as spouses of military personnel and diplomatic personnel abroad; contributes as an employer.

**Universal and social assistance:** The total cost.

### Qualifying Conditions

**Old-age pension (NDC and mandatory individual account):** Age 63 and three months (gradually rising by three months a year until reaching age 65 in 2025) with at least 15 years (rising to 20 years in 2025) of coverage.

Special conditions apply to certain persons with disabilities, parents or guardians of large families (five or more children) or children with a disabilities, persons who worked under hazardous or dangerous conditions before 1996, certain persons affected by the Chernobyl disaster, and politically repressed persons.

**Early pension:** Paied from up to two years before the normal retirement age with at least 30 years of coverage.

**Employment must cease until the normal retirement age.**

**Deferred pension:** The pension may be deferred. There is no age limit.

The old-age pension is payable abroad.

**State social security old-age benefit (valsts sociala nodroshinajuma pabalsts vecuma gadijuma, social assistance, income tested):** Age 67 and nine months with at least 15 years of coverage and not entitled to a social insurance or NDC pension or work injury benefits (except for a survivor pension for a disabled person). Must have resided in Latvia for at least 60 months, including continuously for the last 12 months.

**Employment must cease.**

**Disability pension (invaliditates pensija, social insurance):** Must be assessed with a disability and have at least three years of coverage. There are three groups of assessed disability: Group I (severe disability requiring constant attendance); Group II (severe disability but not in need of constant attendance); and Group III (moderate disability).

State Medical Commission for the Assessment of Health Conditions and Working Ability assesses the degree of disability.

The disability pension is payable abroad under reciprocal agreement.

**State social security disability benefit (valsts sociala nodroshinajuma pabalsts invaliditates gadijuma, social assistance, income tested):** Must be aged 18 or older, assessed with a disability, not employed, and not entitled to a social insurance or NDC pension or work injury benefits (except for a survivor pension for a disabled person). Must have resided in Latvia for at least 60 months, including continuously for the last 12 months.

Employment must cease.

The disability must be certified by the State Medical Commission for the Assessment of Health Condition and Working Ability.

**Disabled person care allowance (universal):** Must be aged 18 or older with a disability and in need of special care.

**Survivor pension (NDC):** The deceased received or was entitled to receive an old-age or disability pension at the time of death.

The insured is credited with the pension that would have been accumulated at the normal retirement age.

Eligible survivors include the insured’s children (including adopted children) younger than age 18 (age 24 if a full-time student; no limit if disabled since childhood); and dependent brothers, sisters, and grandchildren younger than age 18 (age 24 if a full-time student; no limit if disabled since childhood) whose biological parents are incapable of working.

The survivor pension is payable abroad.

**Spouse benefit (NDC):** Paid to a surviving spouse receiving an NDC old-age, disability, or work injury pension if the NDC pensioner died after January 1, 2007.

**Death allowance (apbedishanas pabalsts, NDC):** Paid when the insured person, an unemployed person, a pensioner, or the insured’s dependent family member dies. For the death of an insured person or a family member of an insured person, the death must have occurred within one month after the end of the contribution period. The benefit can be claimed up to six months after the date of death.

**State social security orphan’s benefit (valsts sociala nodroshinajuma pabalsts apgadnieka zaudejuma gadijuma, social assistance, income tested):** Paid to a surviving unmarried child younger than age 18 (age 21 if a student or in vocational training; age 25 if a full-time university student) who is not entitled to a social insurance or NDC pension or work injury benefits.
Old-Age Benefits

Old-age pension (vecuma pensija, NDC): The pension is based on the insured’s contributions, annual capital growth adjusted based on changes in the earnings index, and average life expectancy.

The minimum monthly old-age pension with up to 20 years of coverage is €70.43 (€117.39 if disabled since childhood); with 21 to 30 years, €83.24 (€138.74 if disabled since childhood); with 31 to 40 years, €96.05 (€160.08 if disabled since childhood); and with at least 41 years, €108.85 (€181.42 if disabled since childhood).

Early pension: 50% of the old-age pension is paid. The early pension ceases at the normal retirement age and is replaced by the old-age pension.

Deferred pension: Calculated in the same way as the old-age pension.

Benefit adjustment: Benefits are adjusted annually on October 1 based on changes in the consumer price index and the contribution wage index.

Old-age pension (2nd pillar, mandatory individual account): The pension is based on the insured’s account balance. At retirement, the insured can purchase an annuity or have the funds credited to his or her NDC account.

State social security old-age benefit (valsts sociala nodrošinajuma pabalsts vecuma gadījumā, social assistance, income tested): €64.03 a month is paid. The benefit is proportionally reduced if the beneficiary receives a foreign pension.

Permanent Disability Benefits

Disability pension (invaliditātes pensija, social insurance): The pension is 0.45 times (Group I) or 0.40 times (Group II) the insured’s average earnings in any 36 consecutive months in the last five years plus the insured’s average earnings multiplied by the ratio of actual contribution years to the total possible number of years of coverage from age 15 to retirement multiplied by 0.1. For a Group III disability, the pension is the state social security benefit of €64.03 a month; €106.72 a month if disabled since childhood.

The minimum monthly disability pension is €102.45 (€170.75 if disabled since childhood) for Group I and €89.64 (€149.41 if disabled since childhood) for Group II, which represents 1.6 times and 1.4 times the state social security benefit, respectively.

The minimum annual earnings used to calculate benefits for self-employed persons and voluntarily insured persons are 12 times the legal monthly minimum wage.

The legal monthly minimum wage is €430.

Benefit adjustment: Benefits are adjusted annually on October 1 based on changes in the consumer price index and the contribution wage index.

State social security disability benefit (valsts sociala nodrošinajuma pabalsts invaliditātes gadījumā, social assistance, income tested): €64.03 to €83.24 a month (€106.72 to €106.72 a month if disabled since childhood) is paid, depending on the assessed disability group. The benefit is proportionally reduced if the beneficiary receives a foreign pension.

Disabled person care allowance (universal): €213.43 a month is paid.

Survivor Benefits

Survivor pension (NDC): 50% of the deceased’s old-age pension is paid for one eligible survivor; 75% split equally for two eligible survivors; 90% split equally for three or more eligible survivors. The pension for a full orphan is based on the old-age pensions of both parents.

The minimum monthly survivor pension for each child up to age 6 is €92.50 (€106.72 if disabled); €111.00 if aged 7 or older.

Benefit adjustment: Benefits are adjusted annually on October 1 based on changes in the consumer price index and the contribution wage index.

Spouse benefit (NDC): A lump sum of two months of the deceased’s NDC old-age, disability, or work injury pension is paid.

Death allowance (apbedishanas pabalsts, NDC): The allowance is twice the deceased’s monthly average covered earnings in the last 12 months starting two months before the death if the deceased was employed or self-employed, or the deceased’s NDC old-age, disability, or work injury pension if the deceased was a pensioner. For the death of a dependent family member or an unemployed person, the allowance is three times the state social security benefit; for a state social security beneficiary, twice the state social security benefit.

The state social security benefit is €64.03 a month; €106.72 a month if disabled since childhood.

State social security orphan’s benefit (valsts sociala nodrošinajuma pabalsts apgadnieka zaudejuma gadījumā, social assistance, income tested): At least €92.50 (€106.72 if disabled) a month is paid for each eligible child up to age 6; €111.00 a month if aged 7 or older. The benefit is proportionally reduced if the beneficiary receives a foreign pension.

Administrative Organization


Asset managers administer the individual accounts.

**Sickness and Maternity**

**Regulatory Framework**

**First law:** 1924.

**Current laws:** 1995 (maternity and sickness benefits); 1997 (social insurance); and 2017 (health care financing), implemented in 2018.

**Type of program:** Social insurance system.

Note: The 2017 law on health care financing introduced contributions for medical benefits (see Old Age, Disability, and Survivors). Starting in 2019, coverage for medical benefits will be restricted to those paying contributions and certain defined groups.

**Coverage**

**Cash benefits:** Employed and self-employed persons.

Voluntary coverage for permanent residents of Latvia who are not compulsorily covered and are not receiving an old-age pension; and for the spouse of a self-employed person younger than the normal retirement age.

**Medical benefits:** Resident Latvian citizens and noncitizens with residence permits. Coverage will change as of 2019.

**Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors; the voluntarily insured pay 3.65% of covered earnings (sickness and maternity), 1.34% of covered earnings (parents’ benefit); and 1% (rising to 3% in 2019 and to 5% in 2020) of covered earnings (medical benefits).

For salaried workers, the minimum annual earnings used to calculate contributions are the legal annual minimum wage; for wage workers the minimum daily earnings used to calculate contributions are the legal hourly minimum wage.

The legal annual minimum wage is €5,160.

The legal hourly minimum wage is €2.69.

The minimum annual earnings used to calculate contributions for voluntarily insured persons are €4,440.

**Self-employed person:** See source of funds under Old Age, Disability, and Survivors.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Finances state-guaranteed health care services through the annual state budget; contributes as an employer.

**Qualifying Conditions**

**Cash sickness benefit:** Must have at least three months of contributions in the last six months before the month in which the incapacity began or six months of contributions in the last 24 months.

**Cash benefits (except sickness and parental benefits) and medical benefits:** There is no minimum qualifying period.

**Parental benefit:** Must be currently insured and caring for at least one child up to age 1 or age 18 months, depending on the duration of benefits chosen.

**Sickness and Maternity Benefits**

**Sickness benefit:** 80% of the insured’s average earnings in the last 12 months is paid after a 10-day waiting period until recovery or for up to 26 weeks from the first day of incapacity for work (52 weeks within a three-year period for a repeated incapacity for work); may be extended at the recommendation of the State Medical Commission. (The employer pays at least 75% of the insured’s average earnings for the second and third days of incapacity for work and at least 80% for the fourth to the 10th days).

The minimum annual earnings used to calculate benefits for self-employed persons and voluntarily insured persons are the legal annual minimum wage.

The legal annual minimum wage is €5,160.

The sickness benefit is paid after the insured is certified as incapable of work by the State Social Insurance Agency.

**Sick child care benefit:** 80% of the insured’s average earnings in the last 12 months is paid from the first day up to the 14th day if caring for a child younger than age 14. The benefit is also paid for a child receiving treatment in a hospital up to the 21st day.

**Maternity benefit:** 80% of the insured’s average earnings in the last 12 months is paid for 112 consecutive days (56 days before and 56 days after the expected date of childbirth); 14 additional days are paid for multiple births or complications arising during pregnancy, childbirth, or the postpartum period and in cases where inpatient medical care associated with the pregnancy began before the 12th week of pregnancy.

The minimum annual earnings used to calculate benefits for self-employed persons and voluntarily insured persons are the legal annual minimum wage.

The legal annual minimum wage is €5,160.
The maternity benefit must be claimed within six months after the first day of the maternity leave period.

The maternity benefit is paid after the insured is certified as incapable of work by the State Social Insurance Agency.

**Paternity benefit:** 80% of the insured’s average earnings in the last 12 months is paid for 10 consecutive days.

The minimum annual earnings used to calculate benefits for self-employed persons and voluntarily insured persons are the legal annual minimum wage.

The legal annual minimum wage is €5,160.

**Parental benefit:** The amount depends on the chosen duration of the benefit: 60% of the insured’s average monthly earnings is paid until the child reaches age 1; or 43.75% of the insured’s average monthly earnings until the child reaches age 18 months.

Average monthly earnings are based on earnings in the 12-month period starting two months before the child care leave.

If a beneficiary resumes employment or self-employment, 30% of the benefit is paid.

The minimum annual earnings used to calculate benefits for self-employed persons and voluntarily insured persons are the legal annual minimum wage.

The legal annual minimum wage is €5,160.

### Workers’ Medical Benefits

State-owned, municipality-owned, and private hospitals under contract with the National Health Service provide benefits. Benefits include ambulance service, general practitioner and specialist care, medicine, hospitalization, maternity care, home health care, dental care for children up to age 18 and for certain persons affected by the Chernobyl disaster, and cochlear implants for children, according to a schedule in law.

Cost sharing: For outpatient care in clinics, the insured pays €1.42 for a general practitioner visit; €4.27 for a specialist; from €7.11 to €21.34 for various treatments; and from €1.42 to €35.57 for diagnostic examinations. Rates vary for a home visit by a general practitioner.

Cost sharing is limited to €569.15 a year (cost sharing for operations are not credited).

Emergency treatment is free for certain groups.

### Dependents’ Medical Benefits

Medical benefits for dependents are the same as those for the insured.

### Administrative Organization


National Health Service (http://www.vmnvd.gov.lv/) administers medical benefits.

State Revenue Service (http://www.vid.gov.lv/) collects contributions.

### Work Injury

#### Regulatory Framework

**First law:** 1927.

**Current laws:** 1995 (work injury and occupational disease) and 1997 (social insurance).

**Type of program:** Social insurance system.

**Coverage**

Employed persons if the work-related accident occurred or the occupational disease was diagnosed after 1997.

Exclusions: Self-employed persons.

**Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors.

**Self-employed person:** Not applicable.

**Employer:** See source of funds under Old Age, Disability, and Survivors.

**Government:** Finances state-guaranteed health care services through the annual state budget. Contributes as an employer.

### Qualifying Conditions

Must be assessed with a work injury or occupational disease. Accidents that occur while commuting to and from work are not covered (except if the employer provides the transportation). For an occupational disease, the insured must have at least three years of coverage after 1997.

### Temporary Disability Benefits

80% of the insured’s average earnings in the last 12 months is paid from the 1st day of incapacity for work until recovery or up to 26 weeks from the first day of incapacity for work (52 weeks within a three-year period for a repeated incapacity for work). (In case of an accident at work, the employer pays at least 80% of the insured’s average earnings for the first 10 days.)
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The temporary disability benefit is paid after the State Social Insurance Agency certifies that the insured is incapable of work.

**Permanent Disability Benefits**

**Permanent disability pension:** For a 100% assessed loss of earning capacity, 80% of the insured’s average monthly earnings in the last 12 months is paid.

Partial disability: For an assessed loss of earning capacity of 90% to 99%, 75% of the insured’s average monthly earnings in the last 12 months is paid; 70% average earnings for an assessed loss of earning capacity of 80% to 89%; 65% for a loss of 70% to 79%; 60% for a loss of 60% to 69%; 55% for a loss of 50% to 59%; 50% for a loss of 40% to 49%; 45% for a loss of 30 to 39%; and 35% for a loss of 25% to 29%.

The Health and Working Capacity Medical Expert Commission assesses the loss of earning capacity.

**Workers’ Medical Benefits**

Benefits include general and specialist care, medicine, and hospitalization. The insured is reimbursed for additional expenses for medical treatment, nursing care, prostheses, travel expenses, and occupational rehabilitation.

**Survivor Benefits**

**Survivor pension**

*Spouse’s pension:* Up to 25% of the deceased’s average monthly earnings in the last 12 months is paid for one eligible widow(er).

The minimum monthly spouse’s pension is the state social security benefit.

The state social security benefit is €64.03 a month; €106.72 a month if disabled since childhood.

The maximum monthly spouse’s pension is 80% of the deceased’s average monthly earnings in the last 12 months.

*Orphan’s pension:* Up to 25% of the deceased’s average monthly earnings in the last 12 months is paid for one eligible child; up to 35% for two; up to 45% for three; and up to 55% for four or more.

*Full orphan’s pension:* Up to 40% of the deceased’s average monthly earnings in the last 12 months is paid for one eligible full orphan; up to 50% for two; up to 60% for three; and up to 70% for four or more.

Other eligible survivors may include dependent brothers, sisters, and grandchildren.

*Death allowance:* If the deceased was employed, a lump sum of twice the deceased’s last monthly average earnings used to calculate contributions is paid; if the deceased received a temporary or permanent disability pension, a lump sum of twice the monthly pension is paid.

Eligible survivors include a widow(er), child, parent, or the person who paid for the cost of the funeral.

**Administrative Organization**


**Unemployment**

**Regulatory Framework**


*Current laws:* 1997 (social insurance) and 1999 (unemployment insurance).

**Type of program:** Social insurance system.

**Coverage**

Employed persons, active military personnel and their spouses, residents of Latvia caring for a child younger than age 18 months (age 18 if disabled); and recipients of the child raising allowance, sickness benefit, or maternity benefit.

Exclusions: Self-employed persons.

**Source of Funds**

*Insured person:* See source of funds under Old Age, Disability, and Survivors.

*Self-employed person:* Not applicable.

*Employer:* See source of funds under Old Age, Disability, and Survivors.

*Government:* Contributes 1.84% of €71.14 a month for spouses of active military personnel and 1.84% of €171.00 a month for residents of Latvia caring for a child younger than age 18 months (age 18 if disabled); contributes as an employer.

**Qualifying Conditions**

Must have at least one year of coverage, including 12 months in the 16 months before unemployment, and be registered at the state employment office.

There is no minimum qualifying period for persons caring for a child younger than age 18 months (age 18 if disabled), formerly disabled persons who regained the capacity to work before the unemployment began, and military personnel. Must be registered at the state employment office.
Unemployment Benefits

50% of the insured’s average earnings in the last 12 months is paid with one to nine years of coverage, 55% with 10 to 19 years, 60% with 20 to 29 years, and 65% with 30 years or more.

The benefit is paid for up to nine months in any 12 month period according to three different rates: 100% for the first three months, 75% for the next three months, and 50% for the last three months.

Persons caring for a child younger than 18 months (age 18 if disabled) and formerly disabled persons who have regained the capacity to work before the unemployment began receive 60% of twice the monthly state social security benefit for the first three months, 45% for the next three months, and 30% for the last three months.

The state social security benefit is €64.03 a month; €106.72 a month if disabled since childhood.

Administrative Organization


State Employment Agency (http://www.nva.gov.lv/) and local employment offices are responsible for job placements, training, and retraining.


Family Allowances

Regulatory Framework

First law: 1990.


Type of program: Universal system.

Coverage

Resident citizens of Latvia and noncitizens with permanent residence permits.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowance (gimenes valsts pabalsts): Paid for unmarried children older than age 1 but younger than age 15 (age 20 if a full-time student; age 18 if disabled).

Foster family allowance: Paid to families providing foster care to children.

Child-raising allowance: Paid to a parent caring for a child younger than age 2. The benefit is not paid if the child’s other parent receives the maternity or paternity benefit for the same period of time.

Child-raising allowance supplement: Paid in the event of multiple births.

Childbirth allowance (berna piedzimshanas pabalsts): Paid for the birth of a child or when a child is taken into guardianship. The benefit must be claimed within six months after the eighth day of the child’s life or from the day guardianship was established (but no later than age 1) if the child has been taken under guardianship.

Disabled child-raising allowance (berna invalida kopshanas pabalsts): Paid to persons raising children younger than age 18 assessed with severe disabilities.

Disabled child supplement: Paid to persons receiving family allowances for a child with disabilities younger than age 18.

Adoption benefit: Paid to a person who has adopted a child. The adoption must have been approved by a court.

Legal guardian allowance: Paid to the appointed legal guardian of a child.

Legal guardian duties benefit: Paid to the appointed legal guardian of a child.

Family Allowance Benefits

Family allowance (gimenes valsts pabalsts): €11.38 a month is paid for one eligible child; €22.76 a month for two children; €34.14 a month for three children; and €50.07 a month for four or more children.

Foster family allowance: €171 a month is paid for one foster child; €222.30 a month for two foster children; and €273.60 a month for three or more foster children.

Child-raising allowance: €171 a month is paid for an eligible child younger than age 18 months; €42.69 a month for a child aged 18 months to age 2.

Child-raising allowance supplement: €171 a month is paid for a child younger than age 18 months; €42.69 a month for a child aged 18 months to age 2.

Childbirth allowance (berna piedzimshanas pabalsts): A lump sum of €421.17 is paid.
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Disabled child-raising allowance (berna invalida kop-shanas pabalsts): €213.43 a month is paid for each eligible child.

Disabled child supplement: €106.72 a month is paid for each eligible child.

Adoption benefit: A lump sum of €1,422.87 is paid for each eligible child.

Legal guardian allowance: €107.50 a month is paid for each eligible child younger than age 7; €129 a month if aged 7 to 18.

Legal guardian duties benefit: €54.07 a month per household is paid, regardless of the number of children.

Administrative Organization
