

## Lithuania

Exchange rate: US\$1.00 equals 2.35 litas.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1922.

**Current laws:** 1994 (social insurance), with 2005 amendment; 1994 (social assistance), with amendments; 1999 (pension funds), with 2003 amendment, implemented in 2004; 2002 (pension system), with 2004 amendment; and 2003 (individual account), implemented in 2004, with 2005 amendment.

**Type of program:** Social insurance and social assistance system.

Note: Since January 1, 2004, employed persons may voluntarily transfer part of their social insurance contributions to an individual account to complement the social insurance old-age pension program. The decision to contribute to an individual account cannot be reversed.

#### Coverage

Private- and public-sector employees, military personnel, conscripts, the clergy, self-employed persons, parents and guardians of children younger than age 3, and persons providing care at home for disabled persons.

Voluntary coverage is possible.

#### Source of Funds

**Insured person:** 2.5% of earnings.

Voluntarily insured persons contribute an amount equal to 50% of the basic pension for the basic pension, plus 15% of declared earnings for the supplementary pension.

The basic pension is 316 litas.

The minimum earnings for contribution purposes are equal to the minimum monthly wage (700 litas).

**Self-employed person:** Contributes an amount equal to 50% of the basic pension for the basic pension, plus 15% of declared earnings for the supplementary pension.

The basic pension is 316 litas.

The minimum declared earnings for contributions purposes are equal to the monthly minimum wage (700 litas).

There are no maximum earnings for contribution purposes.

**Employer:** 23.7% of payroll.

The minimum earnings for contributions purposes are equal to the minimum monthly wage (700 litas).

**Government:** Any deficit; contributes as an employer.

#### Qualifying Conditions

**Old-age pension (social insurance):** Age 62 and 6 months with at least 30 years of contributions (men) or age 60 with at least 30 years of contributions (women).

A partial pension is paid at the normal pensionable age with at least 15 years of contributions.

Early pension: An early pension is possible up to 5 years before the normal pensionable age for persons with at least 30 years of contributions and for persons registered as unemployed for the last 12 months and not receiving other benefits.

Deferred pension: If the insured has at least 30 years of contributions at the normal pensionable age, the pension may be deferred for at least 1 year and up to a maximum of 5 years.

Old-age pensions are payable abroad under reciprocal agreement; in the absence of a reciprocal agreement, benefits are payable abroad to insured persons with at least 15 years of contributions.

**Old-age pension (social assistance):** Age 62 and 6 months (men) or age 60 (women). The beneficiary must not be eligible for the social insurance old-age pension.

**Disability pension (social insurance):** The pension is paid for an assessed loss in working capacity of at least a 45%. The required coverage period increases with age. If younger than age 22, the insured must have at least 2 months of contributions; thereafter, the required coverage period increases by 2 months per year up to age 37; by 6 months per year from age 38, up to a maximum of 15 years of contributions.

The Disability and Capacity for Work Establishment Office assesses the loss of working capacity. The disability pension ceases at the normal pensionable age, and the old-age pension is paid.

Disability pensions are payable abroad under reciprocal agreement; in the absence of a reciprocal agreement, benefits are payable abroad to insured persons with at least 15 years of contributions.

**Survivor pension (social insurance):** The benefit is paid if the deceased received the old-age pension or disability pension and had at least 15 years of contributions.

Eligible survivors are a widow(er) of pensionable age or assessed as disabled before, or within 5 years after, the spouse's death or before reaching the normal pensionable age; a widow(er) without children who was married to the deceased for at least 5 years; in the absence of a surviving spouse, a partner who had children with the deceased or provides care at home for the deceased's children.

Survivor pensions are payable abroad under reciprocal agreement; in the absence of a reciprocal agreement, benefits are payable abroad to insured persons with at least 15 years of contributions.

## Old-Age Benefits

**Old-age pension (social insurance):** The monthly pension is equal to 110% of the basic pension plus the supplementary pension. The basic pension is 316 litas a month. The monthly supplementary pension is equal to 0.005 times the number of years of contributions times the insured's coefficient times the insured income level.

The insured's coefficient is calculated using annual earnings based on the 5 most favorable consecutive years in the period between January 1, 1984 and December 31, 1993, and annual earnings based on each year from January 1, 1994.

The insured income level is 1,356 litas (February 2007). The insured income level is set annually by the government.

**Pension supplement:** For insured persons with a contribution period greater than 30 years at the pensionable age, a supplement is paid equal to 3% of the pension for each year of contributions exceeding 30 years.

**Partial pension:** Paid to an insured person who has between 15 and 30 years of contributions. The basic part of the pension is reduced in proportion to the number of years of contributions less than 30 years.

**Early pension:** The pension is reduced by 0.4% for each month the pension is awarded before the normal pensionable age.

**Deferred pension:** The pension is increased by 8% for each year the pension is deferred.

**Benefit adjustment:** Benefits are adjusted according to changes made by the government in the value of the basic pension and the insured income level.

**Old-age pension (social assistance):** The monthly benefit is equal to 0.9 times the basic pension.

The basic pension is 316 litas a month.

## Permanent Disability Benefits

**Disability pension (social insurance):** The pension is paid to insured persons with an assessed loss of working capacity from 45% to 100%. The monthly pension is equal to 110% of the basic pension plus the supplementary pension. The basic pension is 316 litas a month. (If the assessed loss of working capacity is from 75% to 100%, the basic part of pension is equal to 1.5 times the basic pension.) The supplementary pension is equal to 0.005 times the number of years of contributions times the insured's coefficient times the insured income.

The insured's coefficient is calculated using annual earnings based on the 5 most favorable consecutive years in the period between January 1, 1984 and December 31, 1993, and annual earnings based on each year from January 1, 1994.

The insured income level is 1,356 litas (February 2007). The insured income level is set annually by the government.

**Pension supplement:** For insured persons with a contribution period greater than 30 years when the disability began, a supplement is paid equal to 3% of the pension for each year of contributions exceeding 30 years.

**Partial disability:** If the loss of working capacity is from 45% to 55%, the pension is equal to 50% of the basic pension plus the supplementary pension.

There is no minimum disability pension.

There is no maximum disability pension.

**Benefit adjustment:** Benefits are adjusted according to changes made by the government in the value of the basic pension and the insured income level.

## Survivor Benefits

**Survivor pension (social insurance):** The pension is equal to the survivor basic pension approved by government (70 litas).

The survivor pension ceases on remarriage.

**Benefit adjustment:** Survivor benefits are adjusted according to changes made by the government in the value of the survivor basic pension.

**Orphan's pension (social insurance):** Each orphan receives 50% of the deceased's old-age or disability pension.

Full orphans receive a pension for both parents.

All orphans' benefits must not exceed 100% of the deceased's pension.

**Benefit adjustment:** Orphans' benefits are adjusted according to changes made by the government in the value of the basic pension and the insured income level.

## Administrative Organization

Ministry of Social Security and Labor (<http://www.socmin.lt>) supervises the program.

State Social Insurance Fund Board (<http://www.sodra.lt>) administers the program, collects contributions, and pays benefits.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1925

**Current laws:** 1991 (social insurance); and 2000 (sickness and maternity), with amendments.

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

### Coverage

Private-sector employees and certain public-sector employees.

Exclusions: Public-sector employees covered by a state employees' program.

Voluntary coverage for self-employed persons and for all other persons older than age 16, including citizens of any member state of the European Union, residing permanently in Lithuania.

### Source of Funds

**Insured person:** 0.5% of earnings.

**Self-employed person:** Voluntary monthly contribution from 10 litas to 200 litas.

**Employer:** 2.8% of payroll for cash benefits and 3% of payroll for medical benefits.

**Government:** Any deficit.

### Qualifying Conditions

**Sickness benefits:** The insured must have at least 3 months of contributions in the last 12 months or at least 6 months of contributions in the last 24 months.

**Occupational rehabilitation benefits:** The insured must participate in an occupational rehabilitation program and have at least 3 months of contributions in the last 12 months or at least 6 months of contributions in the last 24 months before participating in the program.

**Maternity benefits:** The insured must have at least 3 months of contributions in the last 12 months or at least 6 months of contributions in the last 24 months before the first day of the maternity leave.

**Paternity benefits:** The paternity leave period must be taken before the child reaches the age of 1 month. The insured must have at least 7 months of contributions before the first day of the paternity leave.

**Child care benefits:** Paid to one of the parents (including adoptive parents) or a guardian providing care for a child younger than age 1. The insured must have at least 7 months of contributions in the last 24 months before the first day of the child care leave.

### Sickness and Maternity Benefits

**Sickness benefit:** The sickness benefit is equal to 85% of the insured's average earnings in the last 3 months before the incapacity began.

The employer pays benefits for the first 2 days of incapacity from 80% to 100% of the insured's average earnings.

The minimum benefit is equal to 25% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum benefit is equal to 5 times the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

**Occupational rehabilitation benefit:** The benefit is equal to 85% of the insured's average earnings and is paid for up to 180 days.

**Maternity benefit:** The benefit is equal to 100% of the insured's average earnings and is paid for 126 days.

The minimum benefit is equal to 25% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum benefit is equal to 5 times the insured income level (1,356 litas a month from July 2006). The insured income level is set annually by the government.

**Paternity benefit:** The benefit is equal to 100% of the insured's average earnings.

The minimum benefit is equal to 33% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum benefit is equal to 5 times the insured income level (1,356 litas a month from February 2007).

**Child care benefit:** The benefit is equal to 100% of the insured's average earnings if the child is younger than 6 months or 85% if the child is younger than age 1.

The minimum child care benefit is equal to 33% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum child care benefit is equal to 5 times the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

### Workers' Medical Benefits

Medical benefits include the provision of health care services and reimbursement of the cost of medicines.

### Dependents' Medical Benefits

**Medical benefits:** Medical benefits include the provision of health care services and reimbursement of the cost of medicines.

### Administrative Organization

Ministry of Social Security and Labor (<http://www.socmin.lt>) supervises the program.

State Social Insurance Fund Board (<http://www.sodra.lt>) administers the program, collects contributions, and pays benefits.

### Work Injury

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#### Regulatory Framework

**First law:** 1936 (accident insurance).

**Current law:** 1999 (work injury), with amendments.

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

### Coverage

Private-sector employees and certain public-sector employees; students in vocational schools, colleges, and universities; persons sent for vocational training or retraining by the Lithuanian Labor Exchange; and convicted persons in prison.

Exclusions: Public-sector employees covered by a state employees' program.

### Source of Funds

**Insured person:** None.

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

**Employer:** 0.28% to 1% of earnings, according to three employment categories.

The minimum earnings for contributions purposes are equal to the monthly minimum wage (700 litas).

**Government:** None.

### Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period for work injuries or recognized occupational diseases. Accidents that occur while commuting to and from work are covered.

### Temporary Disability Benefits

The benefit is equal to 100% of the insured's average earnings and is paid from the first day of disability until the date of rehabilitation for work or certification of permanent disability.

The Disability and Capacity for Work Establishment Office assesses the loss of working capacity.

The minimum benefit is equal to 25% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum benefit is equal to 5 times the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

### Permanent Disability Benefits

**Permanent disability pension:** With a loss of working capacity of 30% or more, the benefit is equal to 50% of the amount calculated on the basis of the percentage loss in working capacity times the compensation coefficient times the insured income level of the current year.

The compensation coefficient is calculated on the basis of average insured annual earnings and must not be lower than 0.25 or higher than 3. The insured income level is 1,356 litas a month (February 2007). The insured income level is set annually by the government.

The Disability and Capacity for Work Establishment Office assesses the loss of working capacity.

Benefit adjustment: Benefits are adjusted according to changes in the assessed loss of working capacity and the insured income level.

**Permanent disability grant:** With a loss of working capacity of 5% to 19%, a lump sum is paid equal to 10% of the insured's average earnings in the last 24 months.

With a loss of working capacity from 20% to 29%, a lump sum is paid equal to 20% of the insured's average earnings in the last 24 months.

The minimum lump-sum payment is equal to 25% of the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum lump-sum payment is equal to 3.5 times the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The Disability and Capacity for Work Establishment Office assesses the loss of working capacity.

### Survivor Benefits

**Survivor pension:** The monthly pension is equal to the permanent disability pension that would have been payable to the deceased with a 100% loss in working capacity.

Eligible survivors are a widow(er) of retirement age or assessed as disabled or partially disabled, orphans younger than age 18 (age 24 if a student), and other dependent persons.

Benefit adjustment: Benefits are adjusted according to changes in the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

**Survivor allowance:** A lump sum equal to 100 times the insured income is paid to the deceased's family. The insured income is 1,356 litas a month (February 2007).

Benefit adjustment: Benefits are adjusted according to changes in the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

### Administrative Organization

Ministry of Social Security and Labor (<http://www.socmin.lt>) supervises the program.

State Social Insurance Fund Board (<http://www.sodra.lt>) administers the program, collects contributions, and pays benefits.



## **Unemployment**

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### **Regulatory Framework**

**First law:** 1919.

**Current laws:** 1991 (social insurance), with 2004 amendment, implemented in 2005; 2003 (unemployment), implemented in 2005; and 2006 (employment support).

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

### **Coverage**

Private- and public-sector employees, certain public officials, and military personnel.

Exclusions: Self-employed persons.

### **Source of Funds**

**Insured person:** None.

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

**Employer:** 1.2% of payroll.

**Government:** Any deficit; contributes as an employer.

### **Qualifying Conditions**

**Unemployment benefit:** The insured must be registered at the local Labor Exchange as unemployed and have paid at least 18 months of contributions in the last 36 months; there is no contribution requirement if the insured is involuntarily unemployed or has just completed compulsory basic military service or state defense service.

### **Unemployment Benefits**

The monthly benefit is equal to the state-supported income of 235 litas plus a variable amount, calculated on the basis of the insured's income in the last 36 months, the state-supported income, and the insured income level (1,356 litas a month from February 2007). The insured income level is set annually by the government.

The maximum variable amount of the unemployment benefit is equal to the difference between 70% of the insured income level (1,356 litas a month from February 2007) and the state-supported income (235 litas a month).

The benefit is paid from the eighth day after registration for up to 6 months if the insured has less than 25 years of contributions, for up to 7 months with 25 to 29 years of contributions, for up to 8 months with 30 to 34 years of contributions, or for up to 9 months with 35 years or more of contributions.

Benefit is suspended for 3 months if unemployment is voluntary.

## **Administrative Organization**

Ministry of Social Security and Labor (<http://www.socmin.lt>) supervises the program.

Lithuanian Labor Exchange of the Ministry of Social Security and Labor (<http://www.socmin.lt>), with 46 local offices, administers the program and pays benefits.

State Social Insurance Fund Board (<http://www.sodra.lt>) collects contributions and disburses contributions each month to the Lithuanian Labor Exchange of the Ministry of Social Security and Labor.

## **Family Allowances**

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### **Regulatory Framework**

**First law:** 1990.

**Current laws:** 1994 (social income), with 2005 amendment; 1994 (family allowances), implemented in 1995, with 2004 (family benefits) amendment; 1994 (social assistance), with 2004 amendment; and 2003 (social assistance), implemented in 2004, with 2005 amendment.

**Type of program:** Universal system.

### **Coverage**

All persons residing permanently in Lithuania.

### **Source of Funds**

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost.

### **Qualifying Conditions**

**Social assistance pension (means-tested):** Paid for children under guardianship or with an assessed need for special care and younger than age 18 (age 24 if a student); if the child also receives a survivor pension or any other periodic benefit, the benefit is reduced accordingly. Also paid for disabled children and persons assessed as disabled before age 24; for parents, guardians, or caregivers of retirement age or assessed as disabled who have been providing care at home for at least 15 years for a disabled person with an assessed need for continuous nursing or care; for mothers who have given birth to five or more children, have reared them up to age 8, and who are of retirement age or are assessed as disabled; and for persons who are of retirement age or are assessed as disabled.

Means test: The means test is based on family income and property.

**Long-term care allowance:** The allowance is paid to disabled children.

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### **Family Allowance Benefits**

**Social assistance pension (means-tested):** The benefit ranges from 1 to 2 times the basic pension, according to the assessed loss of working capacity or the assessed degree of need.

The basic pension is 316 litas a month.

The value of benefits for children depends on the number and age of children in a family; special benefits are allocated to children of soldiers in military service.

Lump-sum grants for housing, heating, water, and drainage expenses are also provided.

**Long-term care allowance:** The allowance is equal to 100% of the basic pension for a severe degree of disability; 50% for a medium degree of disability.

The basic pension is 316 litas a month.

### **Administrative Organization**

Municipalities administer social assistance family benefits.