

Lithuania

Exchange rate: US\$1.00 equals 2.92 litas.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

Current laws: 1994 (social insurance), with 2005 amendment; 1994 (social assistance), with 2004 amendment; 1999 (pension funds), implemented in 2004; 2002 (pension system), implemented in 2004; 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, and self-employed 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 230 litas (July 2006).

The minimum earnings for contribution purposes are equal to the minimum monthly wage (550 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 230 litas (July 2006).

The minimum declared earnings for contributions purposes are equal to the monthly minimum wage (550 litas).

There are no maximum declared earnings for contribution purposes.

Employer: 23.6% of payroll.

The minimum earnings for contributions purposes are equal to the minimum monthly wage (550 litas).

Government: Any deficit; contributes as an employer.

Qualifying Conditions

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

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

Early pension: Retirement is possible up to 5 years before the normal retirement 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 30 years of contributions at the normal retirement age, the pension may be deferred for at least 1 year and up to 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 with at least a 45% loss in working capacity. The required insurance coverage period increases with age. If younger than age 22, the insured must have at least 2 months of contributions; thereafter, the required insurance 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. An increased pension is paid for longer periods of insurance coverage to insured persons in specified age groups. If younger than age 25, the insured must have at least 1 year of contributions; thereafter, the required insurance coverage period increases by 4 months per year up to age 37; by 1 year per year from age 38, up to a maximum of 30 years of contributions.

The Agency for the Establishment of Disability and Work Capacity Levels assesses the loss of working capacity. The award may be made for 6 months, 1 or 2 years, or until the insured reaches the normal retirement age.

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 payable if the deceased received the old-age pension or disability pension.

Eligible survivors are a widow(er) rearing the deceased's children younger than age 18 (age 19 if a full-time student) or providing care at home for the deceased's children who were assessed as disabled before age 18; a widow(er) of retirement age or assessed as disabled before, or within 5 years after, the spouse's death or before reaching the normal retirement 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 who were assessed as disabled before age 18; and the deceased's children (or adopted children) younger than age 18 (age 19 if a full-time student).

In the absence of the above, eligible survivors are a guardian (custodian) who rears the deceased's children younger than age 18 (age 19 if a full-time student) or who provides care at home for the deceased's children who were assessed as disabled before age 18 and receive an orphan's pension.

The survivor pension ceases on remarriage.

Survivor pensions are payable abroad under reciprocal agreements; 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 old-age pension is equal to the basic pension plus the supplementary pension. The basic monthly old-age pension is 200 litas. 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 as the weighted average of annual earnings based on the 25 most favorable insured years after January 1, 1994 (or the total number of years if less).

The insured income level is 1,212 litas (July 2006).

Partial pension: The pension is reduced in proportion to the number of years of contributions less than 30 years.

The minimum monthly old-age pension is equal to 110% of the minimum standard of living (125 litas a month).

Early pension: The pension is reduced by 0.4% for each month the pension is awarded before the normal retirement 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 benefit is equal to 0.9 times the basic pension.

The basic pension is 230 litas (July 2006).

Permanent Disability Benefits

Disability pension (social insurance): A full pension is paid to insured persons with a loss of working capacity from 75% to 100% and the required insurance coverage

period according to age. The total pension is equal to 1.5 times the basic pension plus the supplementary pension equal to 0.005 times the number years of contributions times the insured's coefficient times the insured income level of the current year.

The basic pension is 230 litas (July 2006).

The insured's coefficient is calculated as the weighted average of annual earnings based on the 25 most favorable insured years after January 1, 1994 (or the total number of years if less).

The insured income level is 1,212 litas (July 2006).

Partial disability: Insured persons assessed with a loss of working capacity of less than 75% receive a reduced benefit, according to the insured period and the assessed loss of working capacity.

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 20% of the deceased's old-age or disability pension.

If there is more than one survivor the pension is split equally.

Orphan's pension (social insurance): Each orphan receives 30% of the deceased's old-age or disability pension.

Full orphans receive a pension for both parents.

The minimum orphan's pension is equal to 30% of the deceased's old-age or disability pension.

The maximum survivor pension is equal to 80% of the deceased's old-age or 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.

Administrative Organization

Social insurance: Ministry of Social Security and Labor (<http://www.socmin.lt>) is responsible for the social insurance scheme.

State Social Insurance Fund Board (<http://www.sodra.lt>), operating on a tripartite basis, is responsible for social insurance policy matters.

Sickness and Maternity

Regulatory Framework

First laws: 1925 and 1991 (sickness and maternity).

Current law: 2000 (sickness and maternity), with 2002, 2003, 2004, and 2005 amendments.

Type of program: Social insurance system.

Coverage

Private- and public-sector employees, including paid public officials.

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

Cash benefits: 2.8% of payroll.

Medical benefits: 3% of payroll.

Government: Any deficit.

Qualifying Conditions

Cash sickness and 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.

Maternity allowance: Paid to women who are not eligible for cash maternity benefits.

Child care benefit: Payable to a parent, foster parent, or guardian to provide care for a child younger than age 1. The insured must have at least 7 months of contributions in the last 24 months.

Sickness and Maternity Benefits

Sickness benefit: The sickness benefit is equal to 85% of the insured's average earnings in the last 3 months. The benefit is paid after a 2-day waiting period.

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

The minimum benefit is equal to 25% of the insured income level of the current year (1,212 litas a month from July 2006).

The maximum benefit is equal to 85% of 3.5 times the insured income level of the current year (1,212 litas a month from July 2006).

Maternity benefit: The benefit is equal to 100% of the insured's average earnings in the last 3 months. The benefit is payable for 70 days before and 56 days after the expected date of childbirth.

The minimum benefit is equal to 25% of the insured income level of the current year (1,212 litas a month from July 2006).

The maximum benefit is equal to the insured income level of the current year (1,212 litas a month from July 2006).

Maternity allowance: A lump sum is paid 70 days before the expected date of childbirth.

Child care benefit: The benefit is equal to 70% of the insured's average earnings in the 3-month period before the month the care leave period begins.

The minimum child care benefit is equal to 33% of the insured income level of the current year (1,212 litas a month from July 2006).

The maximum child care benefit is equal to 3.5 times the insured income level of the current year (1,212 litas a month from July 2006).

Workers' Medical Benefits

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

Dependents' 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 cash benefits.

Ministry of Health (<http://www.sam.lt>) is responsible for medical benefits.

State Social Insurance Fund Board (<http://www.sodra.lt>) is responsible for collecting and disbursing contributions.

Work Injury

Regulatory Framework

First law: 1936 (accident insurance).

Current law: 1999 (work injury), with 2000, 2001, 2002, 2003, 2004, and 2005 amendments.

Type of program: Social insurance system.

Coverage

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

Voluntary coverage is not possible.

Special system for civil servants.

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 (550 litas).

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

Temporary Disability Benefits

The benefit is paid with at least a 5% loss of working capacity and is equal to 100% of the insured's average earnings in the last 3 years. The benefit is payable from the onset of disability until rehabilitation for work or the certification of a permanent disability.

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

Permanent Disability Benefits

Permanent disability pension: 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, up to a maximum of 50% of the insured income level of the current year (1,212 litas a month from July 2006).

The minimum lump-sum payment is equal to 25% of the insured income level of the current year (1,212 litas a month from July 2006).

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 (1,212 litas a month from July 2006).

The compensation coefficient is calculated on the basis of average insured annual earnings before the onset of disability and average monthly insured earnings at the onset of disability. The compensation coefficient must not be lower than 0.25 or higher than 3.

The Agency for the Establishment of Disability and Work Capacity Levels 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.

Survivor Benefits

Survivor pension: The pension is equal to 20% of the old-age or disability pension paid or payable to the deceased.

If there is more than one survivor the pension is split equally.

Eligible survivors must have been married to the deceased.

Orphan's pension: Each orphan younger than age 18 (age 24 if a student) receives 30% of the old-age or disability pension paid or payable to the deceased.

Full orphans receive a pension for both parents.

The minimum orphan's pension is equal to 30% of the deceased's old-age or disability pension.

The maximum survivor pension is equal to 80% of the deceased's old-age or disability pension.

Funeral grant: The grant is equal to the insured's average earnings in the last 24 months before death and is split equally among eligible survivors.

Administrative Organization

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

State Social Insurance Fund Board (<http://www.sodra.lt>) administers cash benefits.

Unemployment

Regulatory Framework

First law: 1919.

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

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: 1.3% 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 insurance 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 155 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 of the current year (1,212 litas a month from July 2006).

The maximum variable amount of the unemployment benefit is equal to the difference between 70% of the insured income level of the current year (1,212 litas a month from July 2006) and the state-supported income (155 litas a month).

The benefit is payable 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 or more years of contributions.

Benefit is suspended for 3 months if unemployment is voluntary.

Administrative Organization

Ministry of Social Security and Labor (<http://www.socmin.lt>) develops and implements 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>) is responsible for collecting contributions and disbursing contributions each month to the Lithuanian Labor Exchange of the Ministry of Social Security and Labor.

Family Allowances

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): Payable 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 payable for disabled children and persons assessed as disabled before age 24; for parents, guardians, or caretakers 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 payable to disabled children.

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 230 litas (July 2006).

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 230 litas (July 2006).

Administrative Organization

Municipalities administer social assistance family benefits.