

Lithuania

Exchange rate: US\$1.00 = 2.64 litas.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1922.

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

Type of program: Social insurance and social assistance system.

Coverage

Public- and private-sector employees, self-employed persons, military personnel, conscripts, the clergy, parents and guardians of children younger than age 3, and persons providing care at home for persons with disabilities.

Voluntary coverage is available.

Source of Funds

Insured person: 3% of earnings.

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

The basic pension is 360 litas.

The minimum earnings used to calculate contributions are the monthly minimum wage (800 litas).

Employed persons may divert 1.5% of the combined employer/employee social insurance contributions to a voluntary individual account that supplements the social insurance old-age pension program. The decision to contribute to an individual account cannot be reversed.

Self-employed person: 50% of the basic pension amount for the basic pension plus 15% of declared earnings for the supplementary pension.

The basic pension is 360 litas.

The minimum declared earnings used to calculate contributions are the monthly minimum wage (800 litas).

There are no maximum earnings used to calculate contributions.

Employer: 23.3% of payroll.

The minimum earnings used to calculate contributions are the monthly minimum wage (800 litas).

Government: Any deficit; contributes as an employer.

Qualifying Conditions

Old-age pension (social insurance): Age 62 and 6 months (men) or age 60 (women) with at least 30 years of contributions. (The retirement age is rising gradually by two months a year (men) and four months a year (women) until reaching 65 by 2026.)

Partial pension: A reduced pension is paid at the normal pensionable age with 15 to 29 years of contributions.

Pension supplement: The insured is of pensionable age with more than 30 years of contributions.

Early pension: The insured is up to 5 years younger than the normal pensionable age with at least 30 years of contributions or 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 from one to five 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) and not eligible for the social insurance old-age pension. (The retirement age is rising gradually by two months a year (men) and four months a year (women) until reaching 65 by 2026.)

Disability pension (social insurance): Paid for an assessed loss of working capacity of at least 45%. The required coverage period increases with age: must have at least two months of contributions if younger than age 22; increasing by two months a year from age 23 to 38; and increasing by six months a year from age 39 to 62, until reaching 15 years of contributions.

Pension supplement: The insured has more than 30 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 is replaced by the old-age pension.

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

Survivor pension (social insurance): Paid if the deceased received an old-age or disability pension and had at least 15 years of contributions.

Eligible survivors are a widow(er) of pensionable age or assessed with a disability before, or within five 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 five years; if there is no surviving

spouse, a partner who had children with the deceased or provides care at home for the deceased's children.

The survivor pension ceases on remarriage.

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 120% of the basic pension plus the supplementary pension.

The basic pension is 360 litas a month.

The monthly supplementary pension is 0.005 times the number of years of contributions multiplied by the insured's coefficient multiplied by the insured income level.

The insured's coefficient is calculated using annual earnings based on the five best consecutive years from January 1, 1984 to December 31, 1993, and annual earnings based on each year from January 1, 1994.

The insured income level is 1,488 litas a month.

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

Pension supplement: 3% of the pension for each year of contributions exceeding 30 years is paid.

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 after the normal pensionable age.

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

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

The basic pension is 360 litas a month.

Permanent Disability Benefits

Disability pension (social insurance): For an assessed loss of working capacity of 75% to 100%, the monthly pension is 150% of the basic pension plus the supplementary pension; for an assessed loss of working capacity of 55% to 74%, 120% of the basic pension plus the supplementary pension.

The basic pension is 360 litas a month.

The supplementary pension is 0.005 times the number of years of contributions multiplied by the insured's coefficient multiplied by the insured income.

The insured's coefficient is calculated using annual earnings based on the five best consecutive years from January 1, 1984 to December 31, 1993, and annual earnings based on each year from January 1, 1994.

The insured income level is 1,488 litas a month.

Pension supplement: 3% of the pension for each year of contributions exceeding 30 years.

Partial disability: If the loss of working capacity is from 45% to 54%, the pension is 50% of the basic pension plus the supplementary pension.

There is no minimum or maximum disability pension.

Benefit adjustment: Benefits are adjusted according to changes 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.

The survivor basic pension is 70 litas a month.

Benefit adjustment: Survivor benefits are adjusted according to changes 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; 100% for full orphans.

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

Benefit adjustment: Orphans' benefits are adjusted according to changes 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).

Type of program: Social insurance system.

Coverage

Certain public-sector employees, private-sector employees and self-employed.

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

Source of Funds

Insured person: None (cash benefits). 6% of earnings (medical benefits).

Self-employed person: 2.2% of earnings (cash benefits); 9% of earnings (medical benefits).

Employer: 3.4% of payroll (cash benefits); 3% of payroll (medical benefits).

Government: Any deficit.

Qualifying Conditions

Sickness benefits: The insured must have at least three months of contributions in the last 12 months or at least six months of contributions in the last 24 months.

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

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

Paternity benefits: The insured must have at least 12 months of contributions in the last 24 months before the first day of the paternity leave. The paternity leave period must be taken before the child reaches the age of 1 month.

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 seven months of contributions in the last 24 months before the first day of child care.

Pregnancy grant: Paid to a pregnant unemployed woman who is not entitled to receive the maternity benefit.

Sickness and Maternity Benefits

Sickness benefit: 85% of the insured's average earnings in the last three months before the incapacity began is paid.

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

The minimum benefit is 25% of the insured income level.

The maximum benefit is five times the insured income level.

The insured income level is 1,488 litas a month.

Benefit adjustment: The insured income level is set annually by the government.

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

Maternity benefit: 100% of the insured's average earnings is paid for 126 days.

The minimum benefit is 25% of the insured income level. The maximum benefit is five times the insured income level.

The insured income level is 1,488 litas a month.

Benefit adjustment: The insured income level is set annually by the government.

Paternity benefit: 100% of the insured's average earnings is paid.

The minimum benefit is 25% of the insured income level.

The maximum benefit is five times the insured income level.

The insured income level is 1,488 litas a month.

Benefit adjustment: The insured income level is set annually by the government.

Child care benefit: 100% of the insured's average earnings is paid for a child younger than 6 months; 85% for aged 6 months to 1 year.

The minimum benefit is 25% of the insured income level.

The maximum benefit is five times the insured income level.

The insured income level is 1,488 litas a month.

Benefit adjustment: The insured income level is set annually by the government.

Pregnancy grant: A lump sum of 260 litas is paid.

Workers' Medical Benefits

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

Dependents' Medical Benefits

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

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

Regulatory Framework

First law: 1936 (accident insurance).

Current law: 1999 (work injury).

Type of program: Social insurance system.

Coverage

Certain public-sector employees and private-sector employees.

Exclusions: Public-sector employees covered by a state employees' program and self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 0.18% to 0.9% of earnings, according to three employment categories.

The minimum earnings used to calculate contributions are the monthly minimum wage (800 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

100% of the insured's average earnings is paid from the first day of disability until the date of rehabilitation or certification of permanent disability.

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

The minimum benefit is 25% of the insured income level.

The maximum benefit is five times the insured income level.

The insured income level is 1,488 litas a month.

Benefit adjustment: The insured income level is set annually by the government.

Permanent Disability Benefits

Permanent disability pension: With a loss of working capacity of at least 30%, the benefit is 50% of the percentage of loss in working capacity multiplied by the compensation coefficient multiplied by the insured income level of the current year.

The compensation coefficient is calculated based on average insured annual earnings and must not be lower than 0.25 or greater than three.

The insured income level is 1,488 litas a month.

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

Benefit adjustment: The insured income level is set annually by the government.

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

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

The minimum benefit is 25% of the insured income level.

The maximum benefit is 3.5 times the insured income level.

The insured income level is 1,488 litas a month.

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

Benefit adjustment: The insured income level is set annually by the government.

Survivor Benefits

Survivor pension: The pension is equal to the permanent disability pension that would have been paid to the deceased with a 100% loss of working capacity.

Eligible survivors are a widow(er) of retirement age or assessed with a disability, 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, set annually by the government.

Survivor allowance: A lump sum of 100 times the insured income level is paid to the deceased's family.

The insured income level is 1,488 litas a month.

Benefit adjustment: 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

Regulatory Framework

First law: 1919.

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

Type of program: Social insurance system.

Coverage

Certain public-sector employees and private-sector employees, certain public officials, and military personnel.

Exclusions: Self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1.1% 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; no contribution requirement if the insured is involuntarily unemployed or has just completed compulsory basic military service or state defense service.

Unemployment Benefits

Unemployment benefits: The monthly benefit is equal to the state-supported income of 350 litas plus a variable amount based on the insured's income in the last 36 months, the state-supported income, and the insured income level.

The insured income level is 1,488 litas a month.

The maximum variable amount of the unemployment benefit is the difference between 70% of the insured income level and the state-supported income (350 litas a month).

The benefit is paid from the eighth day after registration for up to six months if the insured has less than 25 years of contributions, for up to seven months with 25 to 29 years of contributions, for up to eight months with 30 to 34 years of contributions, or for up to nine months with at least 35 years of contributions.

The benefit is suspended for three months if unemployment is voluntary.

Benefit adjustment: 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>) collects contributions and transfers them each month to the Lithuanian Labor Exchange of the Ministry of Social Security and Labor.

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.

Family Allowances

Regulatory Framework

First law: 1990.

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

Type of program: Universal system.

Coverage

All permanent residents of 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 younger than age 18 (age 24 if a student) under guardianship or with an assessed need for special care; for persons assessed with disabilities before age 24; caregivers who have provided care and constant attendance to a person with a disability for at least 15 years; for mothers who have given birth to three or more children and raised them up to age 8; and for persons of retirement age with a disability or who are registered as unemployed.

If the child also receives a survivor pension or any other periodic benefit, the benefit is reduced.

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

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

Long-term care allowance: The allowance is paid to children with disabilities.

Family Allowance Benefits

Social assistance pension (means-tested): The benefit ranges from one to two times the basic pension, according to the caregiver or dependent's assessed loss of working capacity or need.

The basic pension is 360 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 military personnel in service.

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

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

The basic pension is 360 litas a month.

Administrative Organization

Municipalities administer social assistance family benefits.