

## Lithuania

Exchange rate: US\$1.00 equals 2.78 litas (Lt).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1925.

**Current laws:** 1956, 1994, and 2003.

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

Note: As of January 1, 2004, employees can allocate a portion of their social security contribution equal to 2.5% of total income to an individual account. The portion of the social security contribution that can be allocated will increase by 1% a year until it reaches 5.5% in 2007.

#### Coverage

Insured workers and permanent residents.

#### Source of Funds

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

**Employer:** 23.4% of payroll.

**Government:** Any deficit. In addition to pensions, the state social insurance budget finances the other social insurance programs.

#### Qualifying Conditions

**Old-age pension:** Age 62.5 (men) and age 59 (women). (The pensionable age for women will gradually increase to age 60 by 2006.)

Early pension: Up to 5 years before the normal retirement age with 30 years of insurance and after 1 year of unemployment (beginning July 1, 2004).

**Disability pension:** Disability involving either a permanent or prolonged incapacity for work. Depending on age, the insured must have a minimal social insurance work record.

**Survivor pension:** The insured must have been a pensioner or have been entitled to a disability pension at the time of death.

#### Old-Age Benefits

**Old-age pension:** The basic pension is no less than 110% of the poverty level. The supplementary pension is based on years of coverage and the ratio of individual earnings to national average earnings.

Early pension: The pension is reduced by 0.4% for each month the pension is awarded before the normal retirement age (beginning July 1, 2004).

#### Permanent Disability Benefits

**Disability pension:** The pension varies according to the assessed degree of disability.

#### Survivor Benefits

**Survivor pension:** Paid to a spouse who has reached old age or is disabled. The spouse receives 20% of the insured's pension.

**Orphan's pension:** Orphans up to age 18 (age 24 if a student) receive 25% of the insured's pension each.

The total survivor pension must not exceed 80% of the insured's pension.

#### Administrative Organization

Ministry of Social Security and Labor is responsible for the program.

State Social Insurance Fund Council (composition determined by the government).

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

### Sickness and Maternity

#### Regulatory Framework

**First law:** 1925.

**Current laws:** 1991 and 2000.

**Type of program:** Social insurance and social assistance (cash benefits) system and universal (medical care) system.

#### Coverage

**Sickness and maternity benefits:** Persons insured under compulsory or voluntary social insurance.

**Medical benefits:** All residents.

#### Source of Funds

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

**Employer:** 2.8% of payroll.

**Government:** Any deficit.

#### Qualifying Conditions

**Sickness and maternity benefits:** At least 3 months coverage during the past 12 months; 6 months during the past 24 months. If an incomplete sickness or maternity social insurance record is as a consequence of parental leave to care for a child aged 1 to 3, a social insurance record is calculated from 12 months prior to the leave commencing.

## Sickness and Maternity Benefits

**Sickness benefit:** 85% of the insured's average compensatory wage is paid after a 2-day waiting period. (The employer pays at least 80% of the insured's average wage for the first 2 days.) The monthly benefit must not be less than 25% of the average wage in Lithuania.

**Compensatory wage:** The insured's average wage for the last 3 months on which contributions have been paid. The compensatory wage must not exceed 3.5 times the average wage in Lithuania (as defined by the Department of Statistics).

**Maternity benefit:** 100% of the insured's compensatory wage for 70 calendar days before and 56 calendar days after the expected date of childbirth. The benefit must not be less than 25% of average monthly insurable income.

**Compensatory wage:** The insured's average wage for the last 3 months on which contributions have been paid. The compensatory wage must not exceed 3.5 times the average wage in Lithuania (as defined by the Department of Statistics).

**Paid leave benefit (child care):** Either parent may take official leave from employment for up to 1 year to care for the newborn infant and receive benefit equal to 60% of wages. The benefit must not be less than 33% of average monthly insurable income.

## Workers' Medical Benefits

Medical services are provided directly by government health facilities. Benefits include the cost of medication for inpatient treatment.

**Cost sharing:** Part of the cost of medication for outpatient treatment for insured persons is covered by the state social insurance budget.

## Dependents' Medical Benefits

Same as for the family head (see medical benefits, above).

## Administrative Organization

Ministry of Social Security and Labor is responsible for the cash benefit program.

Ministry of Health is responsible for medical benefits.

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

Local authorities.

## Work Injury

### Regulatory Framework

**First law:** 1991.

**Current laws:** 1991 and 1999.

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

## Coverage

Wage earners.

## Source of Funds

**Insured person:** None.

**Employer:** 0.3% of payroll.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

## Temporary Disability Benefits

100% of wages is payable until the resumption of work capacity or the determination of disability.

## Permanent Disability Benefits

**Permanent disability benefit:** The benefit varies according to the assessed degree of disability.

## Survivor Benefits

**Survivor pension:** Paid to a spouse who has reached old age or is disabled. The spouse receives 20% of the insured's total pension.

**Orphan's pension:** Orphans up to age 18 (age 24 if a student) receive 25% of the insured's pension each.

The total survivor pension must not exceed 80% of the insured's pension.

## Administrative Organization

Ministry of Social Security and Labor is responsible for the program.

State Social Insurance Fund Board, and its territorial social insurance departments, administers cash benefits.

## Unemployment

### Regulatory Framework

**First law:** 1919.

**Current laws:** 1991, 1996, and 2003.

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

## Coverage

Employed persons.

## Source of Funds

**Insured person:** None.

**Employer:** 1.5% of payroll.

**Government:** Allocations from the state budget in case of a deficit.

### **Qualifying Conditions**

**Unemployment benefit:** Must have 24 months of contributions in the last 3 years (to be decreased to 18 months of contributions in the last 3 years by 2005).

### **Unemployment Benefits**

The amount of benefit depends on the insured's coverage record and the reason for job loss. The benefit is payable from the eighth day after registration but for no more than 6 months in any 12-month period.

The minimum benefit is the government-set state-supported income (135 Lt).

The maximum benefit is twice the minimum standard of living (250 Lt).

### **Administrative Organization**

Ministry of Social Security and Labor is responsible for the program.

Employment Exchange of Lithuania, comprising the national and territorial employment exchanges, administers cash benefits.

Unemployment Fund collects contributions.

### **Family Allowances**

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#### **Regulatory Framework**

**First law:** 1990.

**Current laws:** 1990, 2000, and 2003.

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

#### **Coverage**

Resident families.

#### **Source of Funds**

**Insured person:** None.

**Employer:** None.

**Government:** Total cost is financed by state and municipal budgets.

#### **Qualifying Conditions**

**Family allowances:** Low-income families.

#### **Family Allowance Benefits**

**Social pension:** Pensions are provided to low-income families who satisfy a means-test.

**Small grants:** Subject to conditions, grants may be provided to low-income families. Grants are not subject to a means test.

### **Administrative Organization**

State Social Insurance Fund Board and its territorial social insurance departments administer cash benefits.