

REPUBLIC OF LITHUANIA

**LAW
ON STATE SOCIAL INSURANCE PENSIONS**

18 July 1994 No I-549

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Vilnius

**CHAPTER I
GENERAL PROVISIONS**

**SECTION ONE
PERSONS**

Article 1. Entitlement to a State Social Insurance Pension

1. The permanent residents of the Republic of Lithuania covered, on a compulsory basis, by state social pension insurance or self-insured during a period specified by this Law shall be entitled to a state social insurance pension.

2. Permanent residents of the Republic of Lithuania shall be the residents of the Republic of Lithuania whose data on the place of residence in the Republic of Lithuania or, in respect of those without a place of residence, on the municipality in which they are resident have been entered in the Residents' Register of the Republic of Lithuania as well as the aliens permanently resident in the Republic of Lithuania.

3. The citizens of the Republic of Lithuania permanently residing abroad shall be entitled to a state social insurance pension where international treaties establish so or in accordance with the procedure laid down by the Government of the Republic of Lithuania.

4. The foreign citizens and stateless persons permanently residing in Lithuania shall be equally entitled to a state social insurance pension under this Law unless laws of the Republic of Lithuania or international treaties establish other conditions of the provision of pensions to these persons.

5. The citizens of other states and stateless persons permanently residing abroad who were covered, on a compulsory basis, by state social pension insurance or were self-insured during a period specified by this Law shall be entitled to state social insurance pensions under this Law where international treaties of the Republic of Lithuania establish so.

Article 2. Persons Covered by State Social Pension Insurance

1. The following persons shall be covered, on a compulsory basis, by state social pension insurance:

Version of subparagraphs 1 and 2 before 1 January 2008:

1) the persons employed under employment contracts with legal or natural persons, notary candidates (assessors), the persons receiving remuneration for work and holding elected posts in elected organisations on the basis of membership as well as the persons receiving remuneration for work and appointed to constituency, town, region and polling district electoral and referendum commissions ;

2) the state politicians, judges, state officials and civil servants indicated in the Law on the Remuneration of State Politicians, Judges and State Officials and the Law on Civil Service (with the exception of the civil servants indicated in subparagraphs 3 and 5 of this paragraph) as well as the persons receiving remuneration for work and appointed by the Seimas, the Speaker of the Seimas, the President of the Republic or the Prime Minister;

Version of subparagraphs 1 and 2 after 1 January 2008:

1) the persons indicated in subparagraph 1 of paragraph 1 of Article 4 of the Law on State Social Insurance;

2) the persons indicated in subparagraph 2 of paragraph 1 of Article 4 of the Law on State Social Insurance;

3) officers of the system of the internal service, the Special Investigation Service and the Prisons Department under the Ministry of Justice of the Republic of Lithuania as well as the officials of the agencies and undertakings subordinate thereto;

4) servicemen in the professional military service of the system of national defence and the statutory servants in the civil national defence service at the Second Investigation Department under the Ministry of National Defence;

5) officers of the State Security Department system;

Version of subparagraph 6 before 1 January 2008:

6) the spouses of civil servants and servicemen in the professional military service who have not attained the pensionable age and do not receive the income related to employment relations – during a period when they reside abroad together with a civil servant, where the civil servant has been transferred to a post at a diplomatic mission, consular post of the Republic of Lithuania, mission of the Republic of Lithuania at an international organisation, a foreign state's institution, international organisation or institution, institution or agency of the European Union, institution established by the European Commission or the Council, organisation established jointly by the European Commission and the Member States of the European Union (consortium), international civil operation or mission, sent on a special mission, or when they reside together with a serviceman in professional military service, where the serviceman in professional military service has been assigned to fulfil military service at a diplomatic mission, consular post of the Republic of Lithuania, mission of the Republic of Lithuania at an international organisation, a foreign state's or international military or defence institution;

Version of subparagraph 6 after 1 January 2008:

6) the spouses of civil servants and servicemen in the professional military service as well as delegated persons who have not attained the pensionable age and do not receive the income related to employment relations – during a period when they reside abroad together with a civil servant or a delegated person, where the latter person has been delegated or the civil servant has been transferred to a post at a diplomatic mission, consular post of the Republic of Lithuania, mission of the Republic of Lithuania at an international organisation, international institution or institution of the European Union, a foreign state's institution, sent on a special mission, or when they reside together with a serviceman in professional military service, where the serviceman in professional military service has been assigned to fulfil military service at a diplomatic mission, consular post of the Republic of Lithuania, mission of the Republic of Lithuania at an international organisation, a foreign state's or international military or defence institution. Spouses of delegated persons shall be insured only where the delegated person is paid the remuneration and his social insurance contributions by the delegating institution of the Republic of Lithuania which has delegated the person;

7) the servicemen fulfilling mandatory initial military service in the armed forces of the Republic of Lithuania and servicemen fulfilling alternative national defence service;

8) owners of individual enterprises, members of general partnerships, members of limited partnerships as well as the persons who are engaged in individual activities as defined on the Law on

Personal Income Tax, with the exception of the individual activities exercised under a business certificate;

9) the persons engaged in individual activities and holding a business certificate;

Version of subparagraph 10 before 1 January 2008:

10) at the choice of a family, a mother (adoptive mother) or a father (adoptive father) who actually raises a child or a child's guardian raising a child under 3 years of age;

Version of subparagraph 10 after 1 January 2008:

10) at the choice of a family, one of the parents (adoptive parents) or a person appointed as a child's guardian raising a child under 3 years of age;

11) clergymen of traditional and other religious communities and associations recognised by the State as well as the nuns and monks working only in a convent and monastery;

12) one of the parents (adoptive parents) of a person rated as requiring permanent special nursing care, where the parent has not attained the pensionable age, or a person who has been declared, in accordance with the established procedure, a guardian or custodian of the disabled person and who nurses the said person at home. This provision shall also apply to one of the parents, guardian or custodian nursing at home a totally disabled person rated as such before 1 July 2005.

2. The persons indicated in subparagraph 7 as well as subparagraphs 10-12 of paragraph 1 of this Article shall be covered, on a compulsory basis, by state social pension insurance with state funds in accordance with the procedure laid down by the Government of the Republic of Lithuania or an institution authorised by it. The persons indicated in subparagraph 12 of paragraph 1 of this Article shall be insured, on a compulsory basis, with state funds only where they do not receive a state social insurance pension, with the exception of state social insurance survivor's (loss of breadwinner's) pension, state pension, social assistance pension, social pension or social assistance pension for the nursing of invalids at home to which they are entitled.

3. Other persons may be covered by state social pension insurance on a voluntary basis at the administration agencies of the State Social Insurance Fund effecting this insurance in accordance with the procedure laid down by the Government.

Article 3. Conditions of the Awarding of State Social Insurance Pensions

Under this Law, state social insurance pensions shall be awarded to the persons indicated in Articles 1 and 2 provided they meet the requirements of the state social pension insurance record set forth by this Law for the awarding of the appropriate type of a pension and attain the age established by this

Law, are rated as incapable or partially capable of work, and upon the death of such persons – to the members of their family.

SECTION TWO

TYPES OF PENSIONS

Article 4. Types of State Social Insurance Pensions

1. As of 1 July, the following state social insurance pensions shall be established:

- 1) old-age pension;
- 2) work incapacity pension;
- 3) survivor's and orphan's pension.

2. In accordance with the procedure laid down by this Law, until the expiry of the term of payment or until the awarding of state social insurance old-age or work incapacity pensions in replacement thereof, the following pensions shall continue to be paid:

1) loss of breadwinner's pensions awarded to the persons deceased before 1 January 1995 in accordance with the procedure effective before 1 January 1995 (hereinafter referred to as "loss of breadwinner's pensions");

2) retirement pensions awarded before 1 January 1995 (hereinafter referred to as "retirement pensions");

3) invalidity pensions awarded before 1 July 2005 (hereinafter referred to as "invalidity pensions");

Article 5. Right to Choose the Type of a Pension

1. The persons to whom invalidity pensions continue to be paid after 1 July 2005 in accordance with the procedure laid down by this Law and who are at the same time entitled to receive the old-age pension shall be paid the larger pension or one of these pensions at their own choice. Survivor's or orphan's pensions shall be paid alongside with old-age or invalidity or work incapacity pensions unless otherwise provided by laws. The persons who are entitled at the same time to receive both state social insurance survivor's and orphan's pensions shall be awarded the larger pension or one of these pensions at their own choice.

2. The persons who are entitled to receive or who receive either state loss of breadwinner's pensions or state social insurance loss of breadwinner's pensions for a breadwinner who deceased before 1 January 1995 and who are entitled at the same time to receive the state social insurance old-age, work

incapacity, invalidity, retirement, survivor's or orphan's pension shall be paid one of these pensions at their own choice, with the exception of the orphan's pension, which shall be paid together with the loss of breadwinner's pension for the other parent who deceased before 1 January 1995.

3. The persons entitled to receive a state social insurance pension shall not lose the right to receive other state pensions as well as non-state pensions unless otherwise provided by laws.

SECTION THREE

STRUCTURE OF PENSIONS

Article 6. Structure of State Social Insurance Pensions

1. A state social insurance pension shall consist of the basic part and the supplementary part as well as a bonus for the length of the record.

2. The basic part of a state social insurance pension shall guarantee the minimum provision with pensions of the persons having the obligatory state social pension insurance record and fulfilling other conditions established by this Law.

3. The measure of amount of the basic part of a state social insurance pension and a bonus for the length of the record shall be the state social insurance basic pension (Article 13).

Version of paragraph 4 before 1 January 2008:

4. The supplementary part of a state social insurance pension shall ensure a supplementary provision with pensions of the persons listed in subparagraphs 1-7 of paragraph 1 of Article 2 and covered by state social pension insurance as well as of the persons indicated in subparagraph 8 of paragraph 1 of Article 2 provided they are covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension, taking into account these persons' insurance record and the insured income earned during the period of insurance (self-insurance).

Version of paragraph 4 after 1 January 2008:

4. The supplementary part of a state social insurance pension shall ensure a supplementary provision with pensions of the persons listed in subparagraphs 1-7, 10 and 12 of paragraph 1 of Article 2 and covered by state social pension insurance as well as of the persons indicated in subparagraph 8 of paragraph 1 of Article 2 provided they are covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension, taking into account these persons' insurance record and the insured income earned during the period of insurance (self-insurance).

5. A bonus for the length of the record shall ensure a supplementary provision with pensions of the persons who have acquired a state social pension insurance record of over 30 years.

SECTION FOUR
SOURCE OF THE PAYMENT OF PENSIONS

Article 7. Source of the Payment of State Social Insurance Pensions

State social insurance pensions shall be paid from the budget of the State Social Insurance Fund.

SECTION FIVE
STATE SOCIAL PENSION INSURANCE RECORD

Article 8. A Person's State Social Pension Insurance Record

1. An insured person's state social pension insurance record shall comprise the person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service and the person's state social pension insurance record acquired while the person was self-employed.

2. The state social pension insurance record shall be acquired by the persons listed in subparagraphs 1-5 of paragraph 1 of Article 2 while working under an employment contract or on the basis of membership or service. This record shall comprise:

1) the period during which these persons pay themselves the contributions of state social insurance pension insurance as established by law for them or such contributions are paid or must be paid for them;

2) the period during which these persons receive sickness (including those paid by the employer during sickness), maternity, paternity, maternity (paternity) or vocational rehabilitation benefits paid under the Law on Sickness and Maternity Social Insurance, benefits for illness resulting from an occupational accident or occupational disease paid under the Law on Social Insurance of Occupational Accidents and Occupational Diseases and unemployment social insurance benefits paid under the Law on Unemployment Social Insurance. The period during which unemployment benefits were paid to the persons insured against unemployment under the provisions of the Law on Support of the Unemployed in force before 1 January 2005 shall also be included into the state social pension insurance record. The benefits listed in this subparagraph shall hereinafter in this Law be referred to as state social insurance benefits and unemployment social insurance benefits. The period during which these benefits were received shall be included only for the persons covered on a compulsory basis, in accordance with the procedure laid down by laws, by sickness and maternity social insurance, social insurance against

occupational accidents and occupational diseases as well as unemployment social insurance (before 1 January 2005 – social insurance against unemployment).

Version of paragraph 3 before 1 January 2008:

3. The time periods during which the persons listed in subparagraphs 6 and 7 of paragraph 1 of Article 2 were covered by state social pension insurance shall be held equivalent to a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service. This period shall also be held equivalent to the periods during which the persons indicated in subparagraph 8 of paragraph 1 of Article 2 were covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension. In respect of the persons listed in subparagraph 7 of paragraph 1 of Article 2, the time periods of state social pension insurance shall be held equivalent to a person's state social pension insurance record acquired after 1 January 2005 while working under an employment contract or on the basis of membership or service.

Version of paragraph 3 after 1 January 2008:

3. The time periods during which the persons listed in subparagraphs 6, 7, 10 and 12 of paragraph 1 of Article 2 were covered by state social pension insurance shall be held equivalent to a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service. This period shall also be held equivalent to the periods during which the persons indicated in subparagraph 8 of paragraph 1 of Article 2 were covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension. In respect of the persons listed in subparagraph 7 of paragraph 1 of Article 2, the time periods of state social pension insurance shall be held equivalent to a person's state social pension insurance record acquired after 1 January 2005 while working under an employment contract or on the basis of membership or service. In respect of the persons listed in subparagraphs 10 and 12 of paragraph 1 of Article 2, the time periods of state social pension insurance shall be held equivalent to a person's state social pension insurance record acquired after 1 January 2008 while working under an employment contract or on the basis of membership or service.

4. The period during which the state social insurance invalidity and work incapacity pensions awarded under this Law or under the pension laws in force in the Republic of Lithuania before 1 January 1995 were received until attaining the pensionable age (Articles 21 and 57) shall be held equivalent to the state social pension insurance record acquired while working under an employment

contract or on the basis of membership or service when awarding old-age pensions for the first time or when awarding old-age pensions in the cases specified in Article 42 of this Law.

5. The persons listed in subparagraphs 8 and 9 of paragraph 1 of Article 2 shall acquire the state social pension insurance record during self-employment, with the exception of the persons indicated in subparagraph 8 who shall be covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension (paragraph 3 of this Article). The insurance record acquired during self-employment shall comprise the period during which the persons listed in subparagraphs 8 and 9 of paragraph 1 of Article 2 pay the compulsory state social insurance pension contributions as established for them by law or during which such contributions are paid for them.

Version of paragraph 6 before 1 January 2008:

6. The periods during which the persons listed in subparagraphs 10-12 of paragraph 1 of Article 2 were covered, on a compulsory basis, by state social pension insurance with state funds shall be held equivalent to a person's state social pension insurance record acquired during self-employment. The periods of the service which is indicated in subparagraph 7 of paragraph 1 of Article 2, where they occurred before 1 January 2005, when in accordance with the procedure laid down by the legal acts then in force servicemen of mandatory continuous initial military service and of alternative national defence service were insured with state funds only for the state social insurance basic pension, shall also be held equivalent to this insurance record.

Version of paragraph 6 after 1 January 2008:

6. The periods during which the persons listed in subparagraph 11 of paragraph 1 of Article 2 were covered, on a compulsory basis, by state social pension insurance with state funds shall be held equivalent to a person's state social pension insurance record acquired during self-employment. The periods of service of the persons indicated in subparagraph 7 of paragraph 1 of Article 2, where they occurred before 1 January 2005, when in accordance with the procedure laid down by the legal acts then in force servicemen of mandatory continuous initial military service and of alternative national defence service were insured with state funds only for the state social insurance basic pension, the periods during which the persons indicated in subparagraph 10 of paragraph 1 of Article 2 were raising a child under 3 years of age, where they occurred before 1 January 2008, when in accordance with the procedure laid down by the legal acts then in force and at the choice of a family a mother (adoptive mother) or a father (adoptive father) who actually raises a child or a child's guardian raising a child under 3 years of age was insured with state funds only for the state social insurance basic pension, and the periods during which the persons indicated in subparagraph 12 of paragraph 1 of Article 2 were nursing a disabled person, where they occurred before 1 January 2008, when in accordance with the procedure laid down by the

legal acts then in force one of the parents (adoptive parents), a guardian or custodian of the disabled person nursing the disabled person at home was insured with state funds only for the state social insurance basic pension shall also be held equivalent to this insurance record.

Article 9. Calculation of the State Social Pension Insurance Record for the Persons Employed under an Employment Contract or on the Basis of Membership or Service

1. Where the earnings and other income of a person for whom the state social pension insurance record is calculated as acquired while working under an employment contract or on the basis of membership or service on which compulsory state social pension insurance contributions have been paid or had to be paid do not fall, per calendar year, below the aggregate amount of minimum wages for all months, the entire calendar year shall be included in the insurance record. Otherwise, the insurance record for that year shall be considered to be proportionally shorter.

2. In the retirement year, all months prior to retirement shall be included in the state social pension insurance record acquired while working under an employment contract or on the basis of membership or service, where the earnings and other income on which compulsory state social pension insurance contributions have been paid or had to be paid do not fall below the aggregate amount of minimum wages for all these months. Otherwise, the insurance record for the retirement year shall be considered to be proportionally shorter.

3. In the cases specified in paragraphs 1 and 2 of this Article, the minimum monthly salary as valid in the year of the acquisition of the state social pension insurance record and established by a resolution of the Government shall be used to calculate the insurance record. Where the resolution of the Government establishes different amounts of this salary, the minimum monthly salary of the smallest amount shall be used to calculate the state social pension insurance record.

Article 10. Calculation of the State Social Pension Insurance Record Acquired while Working under an Employment Contract or on the Basis of Membership or Service for a Period during which a Person Received the State Social Insurance Invalidity or Work Incapacity Pension

The insurance record acquired while working under an employment contract or on the basis of membership or service for the calendar year or retirement year during which a person received the invalidity or work incapacity pension shall be calculated as follows:

1) where during that year the person did not receive any remuneration for work and other income from which compulsory state social pension insurance contributions were paid or had to be

paid, the period shall be calculated according to the person's alternative insured income (Article 15) in accordance with the procedure laid down by Article 9 of this Law;

2) where during that year the person received remuneration for work and other income from which compulsory state social pension insurance contributions were paid or had to be paid, the period shall be calculated according to the aggregate amount of the income declared as received and the person's alternative insured income (Article 15) in accordance with the procedure laid down by Article 9 of this Law.

Article 11. Calculation of the State Social Pension Insurance Record during Self-employment

1. The insurance record for a calendar year of a person for whom the state social pension insurance record is calculated as acquired during self-employment shall comprise the number of the months for which he has paid the entire compulsory state social pension insurance contribution as established for him (or such contribution has been paid for him).

2. The state social pension insurance record of the persons holding business certificates shall be included in accordance with the state social pension insurance contributions actually paid to the budget of the State Social Insurance Fund. The state social pension insurance record from 1 January 1995 till 1 January 2004 shall be included in accordance with the same procedure in respect of farmers and their full aged family members who worked on a farm.

Article 12. Calculation of the State Social Pension Insurance Record

1. A person's state social pension insurance record shall be calculated by adding up this person's state social pension insurance record for each year acquired while working under an employment contract or on the basis of membership or service and the state social pension insurance record acquired during self-employment.

2. Only one year of the state social pension insurance record may be included per one calendar year.

3. The insurance record shall be expressed in years. Where a part thereof has been calculated in months, the number of the months shall be divided by twelve.

SECTION SIX

AMOUNTS USED FOR THE CALCULATION OF THE BASIC AND SUPPLEMENTARY PART OF A PENSION

Article 13. Amount of the State Social Insurance Basic Pension

1. The amount of the state social insurance basic pension may not be less than 110% of the minimum living standard (MLS).
2. The amount of the state social insurance basic pension shall be approved by the Government on the recommendation of the State Social Insurance Fund Council.

Article 14. A Person's Insured Income

Version of Article 14 before 1 January 2008:

The insured income of the persons listed in subparagraphs 1-5 of paragraph 1 of Article 2 shall be their entire income from which compulsory state social pension insurance contributions have been paid or had to be paid as well as the state social insurance benefits and unemployment social insurance benefits received. The insured income of the persons listed in subparagraphs 6 and 7 of paragraph 1 of Article 2 during the period when they were covered by state social pension insurance to receive both parts of a pension shall be the amounts from which compulsory state social pension insurance contributions have been paid or had to be paid for these persons to the budget of the State Social Insurance Fund to receive the both parts of the pension. The insured income of the persons listed in subparagraphs 8 and 7 of paragraph 1 of Article 2 during the period when they were covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension shall be the amounts from which these persons have paid state social pension insurance contributions to the budget of the State Social Insurance Fund to receive the supplementary part of the pension.

Version of Article 14 after 1 January 2008:

The insured income of the persons listed in subparagraphs 1-5 of paragraph 1 of Article 2 shall be their entire income from which compulsory state social pension insurance contributions have been paid or had to be paid as well as the state social insurance benefits and unemployment social insurance benefits received. The insured income of the persons listed in subparagraphs 6, 7, 10 and 12 of paragraph 1 of Article 2 during the period when they were covered by state social pension insurance to receive both parts of a pension shall be the amounts from which compulsory state social pension insurance contributions have been paid or had to be paid for these persons to the budget of the State Social Insurance Fund to receive the both parts of the pension. The insured income of the persons listed in subparagraphs 8 and 7 of paragraph 1 of Article 2 during the period when they were covered, on a compulsory basis, by state social pension insurance to receive the supplementary part of a pension shall be the amounts from which these persons have paid state social pension insurance

contributions to the budget of the State Social Insurance Fund to receive the supplementary part of the pension.

Article 15. A Person's Alternative Insured Income

A person's alternative insured income (hereinafter referred to as "alternative income") shall be considered to be the insured income of the persons who received the invalidity or work incapacity pension during the period when the said pensions were received. It shall be calculated by multiplying the most recent coefficient (K) of a person's insured income as recorded in an invalidity or work incapacity pension file by the insured income of the year (average monthly insured income of that year) as valid during the year for which the alternative income is calculated and by the number of the months during which that year the person was paid the invalidity or work incapacity pension. Where the supplementary part of the invalidity or work incapacity pension consisted of two separate parts (paragraph 2 of Article 56), the coefficient (k or K) of a person's insured income of a part covering the year during which the person received the invalidity or work incapacity pension shall be used to calculate the alternative income. Where the coefficient of a person's insured income has been changed in accordance with the procedure laid down by this Law, the coefficient valid prior to the first change shall be used. Alternative income shall be used when calculating the a person's state social pension insurance record and the coefficient of the person's insured income where state social insurance old-age pensions are awarded in the cases indicated in paragraph 4 of Article 8 of this Law.

Article 16. Insured Income of a Year

1. The insured income of the current year shall, at least once per year, be approved by the Government on the recommendation of the State Social Insurance Fund Council when establishing the beginning of the application of this income. The insured income of the current year shall be calculated according to the methods approved by the State Social Insurance Fund Council taking into account the revenue and expenditure of the budget of the State Social Insurance Fund of the respective year or of a respective period of the year. This insured income shall be the basis for calculation of the supplementary part of the state social insurance old-age pension (Article 24).

2. The insured income of the past year shall, not later than until 1 March of the current year, be approved by the State Social Insurance Fund Council on the recommendation of the State Social Insurance Fund Board under the Ministry of Social Security and Labour (hereinafter referred to as "the State Social Insurance Fund Board"). The insured income of a year shall be calculated according to the methods approved by the State Social Insurance Fund Council taking into account the insured

income of the current year as valid that year and approved by the Government. The insured income of a year shall be the basis for the calculation of a person's annual coefficient of insured income (paragraphs 1 and 2 of Article 17).

Article 17. Calculation of the Annual Coefficient of Insured Income

1. The coefficient of an insured person's insured income for 1995-2001 shall be calculated by dividing the person's insured income of a calendar year by the number of the months included for such person in the state social pension insurance record acquired while working under an employment contract or on the basis of membership or service (hereinafter referred to in this Article as "the insurance record") and by average monthly insured income of that year. The coefficient of an insured person's insured income for 2002 and every subsequent year shall be calculated by dividing the person's insured income of a respective calendar year by the number of the months included for this person in the insurance record and by the insured income of that year (paragraph 2 of Article 16).

2. Where a pension is awarded prior to the approval of the insured income of the preceding year, the coefficient of a person's insured income shall be calculated according to the insured income of the year before the preceding year. Upon the approval of the insured income of the preceding year, the pension awarded shall, taking account of this income, be recalculated of the awarding of the pension provided this is of benefit to the recipient of the pension.

3. Where it is expedient to calculate the coefficient of a person's insured income according to the insured income received by the person during the retirement year, the coefficient of the current year shall be calculated by dividing the insured income received during the person's retirement year by the number of the months included that year for this person in the insurance record and by the approved insured income of the current year. Upon the approval of the insured income of the retirement year, the pension awarded shall, taking account of this income, be recalculated of the awarding of the pension provided this is of benefit to the recipient of the pension.

4. Where a person who is, on a compulsory basis and in accordance with the procedure laid down by this Law, covered by state social pension insurance to receive the basic and supplementary part of a pension has selected to participate in the accumulation of pensions under the Law on Reform of the Pension System, calculation of the amount of his old-age pension shall involve calculation of his annual coefficient of insured income for every year of participation in the accumulation of pensions by multiplying the annual coefficient of insured income as calculated according to paragraph 1 of this Article by amount c , which is calculated according to formula $c = (t_p - t_k) / t_p$, where:

t_p – a portion of the rate of the state social pension insurance contribution for that year established for the supplementary part of the state social insurance old-age pension and specified by the Law on the Approval of the Indicators of the Budget of the State Social Insurance Fund;

t_k – the rate of the cumulative pension contribution for that year as specified in the Law on the Approval of Indicators of the State Social Insurance Fund Budget.

Version of paragraph 5 before 1 January 2008:

5. Where during the year for which the annual coefficient of insured income is calculated the persons indicated in paragraph 4 of this Article received (receive) state social insurance benefits and unemployment social insurance benefits, amount c (paragraph 4 of this Article) shall be multiplied by the aggregate amount of a person's income of that year from which compulsory state social pension insurance contributions have been paid or had to be paid. The state social insurance benefits and unemployment social insurance benefits received that year shall be added to the aggregate amount obtained, and the annual coefficient of insured income shall be calculated in accordance with the procedure laid down in paragraphs 1-3 of this Article.

Version of paragraph 5 after 1 January 2008:

5. Where during the year for which the annual coefficient of insured income is calculated the persons indicated in paragraph 4 of this Article received (receive) state social insurance benefits and unemployment social insurance benefits, amount c (paragraph 4 of this Article) shall be multiplied by the aggregate amount of a person's income of that year from which compulsory state social pension insurance contributions have been paid or had to be paid. The state social insurance benefits and unemployment social insurance benefits calculated that year shall be added to the aggregate amount obtained, and the annual coefficient of insured income shall be calculated in accordance with the procedure laid down in paragraphs 1-3 of this Article.

Article 18. Calculation of the Annual Coefficient of Insured Income for a Period during which a Person Received the State Social Insurance Invalidity or Work Incapacity Pension

The annual coefficient of insured income of a calendar year or retirement year during which a person received the invalidity or work incapacity pension shall be calculated as follows:

1) if during that year the person received insured income (Article 14), the larger income shall be selected: either the aggregate amount of the insured income received by the person that year (in respect of participants in the accumulation of pensions, this aggregate amount shall be multiplied by amount c as indicated in paragraph 4 of Article 17 of this Law, if necessary provisions of paragraph 5 of Article 17 shall apply), or the alternative income calculated in accordance with the procedure laid

down in Article 15 of this Law. The selected larger income shall be divided by the number of the months included in the insurance record that year for a person and by the insured income of that year (average monthly insured income of that year);

2) if during that year a person did not receive insured income (Article 14), the coefficient of the person's insured income shall be calculated according to alternative income (Article 15), which shall be divided by the number of the months included in the insurance record that year for this person and by the insured income of that year (average monthly insured income of that year).

Article 19. Coefficient of a Person's Insured Income

1. The coefficient of an insured person's insured income shall be calculated as the weighted average of annual coefficients based on the twenty-five most favourable calendar years of the person's state social pension insurance record after 1 January 1994 as selected by the person, where the period of insurance was acquired while working under an employment contract or on the basis of membership or service. The procedure for the entry into force of this provision shall be laid down in Article 56 of this Law.

2. If a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service is less than the number of years specified in paragraph 1 of this Article, the coefficient of the person's insured income shall be calculated on the basis of the acquired insurance record.

3. If a person's insurance record consists only of the insurance record acquired during the retirement month, the ratio of the monthly wage established for the insured person under an employment or other contract to the insured income of the current year as valid in the retirement month shall be considered to be the coefficient of insured income. Where no wage has been established, it shall be considered that it is equal to the minimum monthly salary as valid in that month and established by a resolution of the Government. Where different amounts of these salaries have been established – equal to the minimum monthly salary of the largest amount.

CHAPTER II

STATE SOCIAL INSURANCE OLD-AGE PENSIONS

Article 20. Entitlement to the State Social Insurance Old-Age Pension

1. A person shall be entitled to the state social insurance old-age pension if he fulfils all of the following conditions:

1) attains the pensionable age as specified by this Law;

2) has the minimum state social pension insurance record as specified for the old-age pension.

2. A person must meet the requirements set forth in subparagraph 2 of paragraph 1 of this Article on the day he attains the pensionable age or on the day he applies for the pension already after attaining the pensionable age.

Article 21. Pensionable Age

1. The pensionable age shall be: 60 years for females and 62 years and 6 months for males.

2. The procedure for the entry into force of this Article shall be laid down in paragraph 2 of Article 57 of this Law.

Article 22. Minimum and Obligatory Insurance Record for the Old-Age Pension

1. The minimum state social pension insurance record for the state social insurance old-age pension shall be 15 years.

2. The obligatory state social pension insurance record for the state social insurance old-age pension shall be 30 years as of 1 January 1999 for males and as of 1 January 2004 for females.

Article 23. Amount of the Basic Part of the State Social Insurance Old-Age Pension

Version of Article 23 before 1 January 2008:

1. The basic part of the state social insurance old-age pension shall be equal to the state social insurance basic pension provided the person has the obligatory state social pension insurance record for the old-age pension.

2. If a person does not have the obligatory state social pension insurance record for the old-age pension, but has the minimum period of state social pension insurance for the old-age pension, the basic part of the state social insurance old-age pension shall be calculated in proportion to the person's insurance record by multiplying the basic pension by the person's insurance record and dividing by the obligatory insurance record.

Version of Article 23 after 1 January 2008:

1. The basic part of the state social insurance old-age pension shall be equal to 110% of the state social insurance basic pension provided the person has the obligatory state social pension insurance record for the old-age pension.

2. If a person does not have the obligatory state social pension insurance record for the old-age pension, but has the minimum period of state social pension insurance for the old-age pension, the basic

part of the state social insurance old-age pension shall be calculated in proportion to the person's insurance record by multiplying 110% of the basic pension by the person's insurance record and dividing by the obligatory insurance record.

Article 24. Amount of the Supplementary Part of the State Social Insurance Pension

The supplementary part of the state social insurance old-age pension shall be calculated for the persons entitled to the state social insurance old-age pension and having the state social pension insurance record acquired while working under an employment contract or on the basis of membership or service, according to formula $0.005 \times S \times K \times D$, where:

S – the person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service;

K – the coefficient of the person's insured income (Article 19);

D – the insured income of the current year as valid in the month for which the pension is paid and approved by the Government.

Article 24¹. Amount of a State Social Insurance Old-Age Pension Bonus for the Length of the Record

The amount of a state social insurance old-age pension bonus for the length of the record shall be calculated by multiplying 3% of the state social insurance basic pension by the sum of every full year of the state social pension insurance record (paragraphs 1-3, 5, and 6 of Article 8, paragraph 1, subparagraphs 1-9 of paragraph 2, paragraphs 3 and 4 of Article 54) exceeding 30 years and acquired before the month of retirement.

Article 25. Calculation of the State Social Insurance Old-Age Pension for a Person Awarded the State Social Insurance Old-Age Pension under the Law on the Early Payment of State Social Insurance Old-Age Pensions.

In respect of a person who has received the state social insurance old-age pension under the Law on the Early Payment of State Social Insurance Old-Age Pensions (hereinafter referred to as "the early old-age pension"), the amount of the state social insurance old-age pension as calculated in accordance with the procedure laid down by this Law shall be reduced by the amount consisting of 0,4% of the calculated pension multiplied by the number of the full months for which the person has received the early old-age pension.

Article 26. Reduction of the Pensionable Age and Obligatory Insurance Record for the Persons Suffering from Hypophyseal Nanism

For the persons suffering from *Hypophyseal Nanism* (midgets), the pensionable age as specified in Article 21 shall be reduced by 15 years, and the obligatory and minimum insurance record as specified in Article 22 shall be reduced by 10 years.

Article 27. Increase of the Old-Age Pension due to the Deferred Application

1. Where at a certain time a person becomes entitled to the state social insurance old-age pension under this Law and has the obligatory state social pension insurance record, but he does not take the pension and applies for it later, the pension shall be calculated for him according to the data at the moment of the application and shall be increased by 4% of the calculated amount for each full year lapsed after the person having the obligatory insurance record becomes entitled to the old-age pension.

2. At the request of the person who receives the old-age pension and has the obligatory state social pension insurance record, the payment of the pension may be deferred. In this case, his pension shall be calculated anew according to the data at the moment of the application and shall be increased by 4% of the calculated amount for each full year lapsed after the deferment of payment.

3. The payment of pension having been deferred for an incomplete year, the pension shall be paid for the months of the last incomplete year of deferment, but it shall not be increased.

4. If an application for the pension is deferred for more than five years, the pension shall be increased only for five years of deferment.

5. By a decision of the State Social Insurance Fund Council, a larger percentage of the increase of the pension due to the deferred application may be established.

CHAPTER III

STATE SOCIAL INSURANCE WORK INCAPACITY PENSIONS

Article 28. Entitlement to the State Social Insurance Work Incapacity Pension

The persons who, in accordance with the procedure laid down by the Law on the Social Integration of the Disabled, have been established a level of capacity for work and who are rated as incapable or partially capable of work (hereinafter referred to as “the persons incapable or partially capable of work”) shall be entitled to the social insurance work incapacity pension where these persons fulfil the conditions established in Articles 30 and 31 of this Law.

Article 29. Establishment of a Level of Capacity for Work and Percentage of Lost Capacity for Work

1. A person's level of capacity for work, reason therefor, time of occurrence, time limit and percentage of the person's lost capacity for work shall be established by the Disability and Capacity for Work Establishment Office under the Ministry of Social Security and Labour (hereinafter referred to in this Article as "the Office"). Percentage of lost capacity for work shall be entered in a certificate of a level of capacity for work issued to a person.

2. The State Social Insurance Fund Board shall have the right, in accordance with the procedure laid down by legal acts, to dispute decisions of the Office on a level of capacity for work, reason therefor, time of occurrence and time limit thereof.

Article 30. Conditions of the Awarding of the Work Incapacity Pension

1. A person for whom a level of capacity for work is established for the first time and who is rated as incapable or partially capable of work shall become entitled to the state social insurance work incapacity pension, provided on the day of rating him as incapable or partially capable of work he has the minimum state social pension insurance record for the work incapacity pension.

2. A person not entitled to the state social insurance work incapacity pension under the condition indicated in paragraph 1 of this Article shall become entitled to it where he has the minimum state social pension insurance record for the work incapacity pension on the day of rating him as incapable or partially capable of work after a repeated examination or on the day of application for the pension.

Article 31. Minimum and Obligatory State Social Pension Insurance Records for the Work Incapacity Pension

1. For the persons rated as incapable or partially capable of work, the following minimum state social pension insurance record for the work incapacity pension shall be established: until the person attains 22 years of age – 2 months, upon attaining 22 years of age, the minimum insurance record shall be increased each year by 2 months per year, upon attaining 38 years of age, the minimum insurance record shall be increased each year by six months per year, but may not exceed the minimum insurance record established for the old-age pension.

2. The obligatory state social pension insurance record for the work incapacity pension shall be established as follows: until the person attains 24 years of age – one year, upon attaining 24 years of age, the obligatory insurance record shall be increased each year by 4 months per year, upon

attaining 38 years of age, the obligatory insurance record shall be increased each year by one year per year, but may not exceed the obligatory insurance record established for the old-age pension.

Article 32. Calculation and Amount of the State Social Insurance Work Incapacity Pension

Version of paragraph 1 before 1 January 2008:

1. The state social insurance work incapacity pension shall be calculated for the persons entitled to this pension by summing up the basic and the supplementary parts of the work incapacity pension as well as a bonus for the length of the record. When calculating the supplementary part of the work incapacity pension, the period during which unemployment social insurance benefits (before 1 January 2005 – unemployment benefits) were received (subparagraph 2 of paragraph 2 of Article 8) shall be included in the state social pension insurance record, and the unemployment social insurance benefits (before 1 January 2005 – unemployment benefits) received during the period of unemployment as included in the insurance record – in a person's insured income (Article 14), where this is of benefit to the person. The same provision shall apply where a person received the unemployment social insurance benefit in the year of retirement due to the loss of capacity for work.

Version of paragraph 1 after 1 January 2008:

1. The state social insurance work incapacity pension shall be calculated for the persons entitled to this pension by summing up the basic and the supplementary parts of the work incapacity pension as well as a bonus for the length of the record. When calculating the supplementary part of the work incapacity pension, the period during which unemployment social insurance benefits (before 1 January 2005 – unemployment benefits) were received (subparagraph 2 of paragraph 2 of Article 8) shall be included in the state social pension insurance record, and the unemployment social insurance benefits (before 1 January 2005 – unemployment benefits) calculated during the period of unemployment as included in the insurance record – in a person's insured income (Article 14), where this is of benefit to the person. The same provision shall apply where a person received the unemployment social insurance benefit in the year of retirement due to the loss of capacity for work.

Version of paragraph 2 before 1 January 2008:

2. For the persons who have lost 75-100% of their capacity for work and have the obligatory state social pension insurance record for the work incapacity pension, the basic part of the work incapacity pension shall be equal to 1,5 basic pensions, and for the persons who have lost 60-70% of their capacity for work – to the basic pension. Where a person's insurance record is shorter than the obligatory insurance record, the basic part of his work incapacity pension shall be calculated by

multiplying the amount of 1,5 basic pensions for the persons who have lost 75-100% of their capacity for work and the amount of the basic pension for the persons who have lost 60-70% of their capacity for work by the insurance record acquired by them and dividing by the obligatory insurance record.

Version of paragraph 2 after 1 January 2008:

2. For the persons who have lost 75-100% of their capacity for work and have the obligatory state social pension insurance record for the work incapacity pension, the basic part of the work incapacity pension shall be equal to 150% of the basic state social insurance pension, and for the persons who have lost 60-70% of their capacity for work – to 110% of the basic state social insurance pension. Where a person's insurance record is shorter than the obligatory insurance record, the basic part of his work incapacity pension shall be calculated by multiplying the amount of 150% of the basic state social insurance pension for the persons who have lost 75-100% of their capacity for work and the amount of 110% of the basic state social insurance pension for the persons who have lost 60-70% of their capacity for work by the insurance record acquired by them and dividing by the obligatory insurance record.

3. The supplementary part of the work incapacity pension shall be calculated for the persons who have the state social pension insurance record acquired while working under an employment contract or on the basis of membership or service, in the same manner as the supplementary part of the state social insurance old-age pension (Article 24), by including in the insurance record:

1) a person's entire state social pension insurance record acquired while working under an employment contract or on the basis of membership or service (paragraphs 2 and 3 of Article 8 as well as paragraph 1 and subparagraphs 1-9 of paragraph 2 of Article 54);

2) the number of years left until a person attains the pensionable age established for him (Articles 21 and 57). If the person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service is shorter than the obligatory state social pension insurance record for the work incapacity pension (Article 31), the insurance record shall not include the total number of years left until the pensionable age, but a proportionately smaller part thereof, which shall be obtained by multiplying the number of the years left until the pensionable age by the state social pension insurance record acquired by the person while working under an employment contract or on the basis of membership or service and dividing it by the insurance record obligatory for the work incapacity pension.

4. The state social insurance work incapacity pension for the persons who have lost 45-55% of their capacity for work shall be calculated in the same manner as for the persons who have lost 60-70% of their capacity for work and shall then be reduced by 50%.

5. A state social insurance work incapacity pension bonus for the length of the record shall be calculated in the same manner as a state social insurance old-age pension bonus for the length of the record (Article 24¹). In respect of the persons who have lost 45-55% of their capacity for work, the bonus thus calculated shall be reduced by 50%.

Article 33. Calculation the State Social Insurance Work Incapacity Pension for a Person who Received the Early Old-Age Pension

For a person who had received the early old-age pension earlier or who was awarded the state social insurance work incapacity pension during the period of payment of the early old-age pension, the work incapacity pension shall be calculated in accordance with the procedure laid down by this Law without reducing amount thereof due to the awarding to the person of the early old-age pension prior to the awarding of the work incapacity pension

CHAPTER IV

STATE SOCIAL INSURANCE SURVIVOR'S AND ORPHAN'S PENSIONS

Article 34. Entitlement to the Survivor's or Orphan's Pension

1. The spouse and children (adopted children) of a deceased person (or a person declared dead or missing in accordance with the established procedure) specified in Articles 35 and 38 of this Law shall be entitled to the state social insurance survivor's pension (hereinafter referred to as the "survivor's pension") or the state social insurance orphan's pension (hereinafter referred to as the "orphan's pension") where the person fulfilled the following conditions on the day of his death (of declaring him missing):

1) had acquired the right to receive the state social insurance work incapacity (where the person died before 1 July 2005 – invalidity) pension or old-age pension (depending on the age of the deceased person) or received one of these pensions – work incapacity (invalidity) or old-age pension;

Version of subparagraph 2 before 1 January 2008:

2) the deceased person had acquired the minimum state social pension insurance record or an equivalent record required for the pension of an appropriate type while working in the undertakings, agencies or organisations of Lithuania, EU Member States or the member states of the European Economic Area (with the exception of the political prisoners and deportees rehabilitated in accordance with the procedure laid down by laws of the Republic of Lithuania who acquired a part of their record

during unlawful imprisonment or at the place of deportation and who shall not be subject to the requirement of acquisition of the minimum record while working in the undertakings, agencies or organisations of Lithuania, EU Member States or the member states of the European Economic Area).

Version of subparagraph 2 before 1 January 2008:

2) the deceased person had acquired the minimum state social pension insurance record or an equivalent record required for the pension of an appropriate type while working in the undertakings, agencies or organisations of Lithuania, EU Member States or the member states of the European Economic Area (with the exception of the persons who, prior to their decease, received the work incapacity (invalidity) or old-age pension awarded and/or paid according to this Law or according to the pension laws in force in the Republic of Lithuania until 1 January 1995 as well as the political prisoners and deportees rehabilitated in accordance with the procedure laid down by laws of the Republic of Lithuania who acquired a part of their record during unlawful imprisonment or at the place of deportation and who shall not be subject to the requirement of acquisition of the minimum record while working in the undertakings, agencies or organisations of Lithuania, EU Member States or the member states of the European Economic Area).

Version of paragraphs 2 and 3 before 1 January 2008:

2. The survivor's or orphan's pension shall be awarded to the spouse and children (adopted children) of the persons deceased after the entry into force of the Law on State Social Insurance, i.e., after 1 June 1991, provided a person was a resident of the Republic of Lithuania on the day when his death occurred.

3. The survivor's and orphan's pension shall not be awarded, and the payment of the pension already awarded shall be discontinued, to the persons who, by a court's judgement, have been convicted of a deliberate crime to the deceased for whom this pension is awarded or paid.

As of 1 January 2008, the Article shall be supplemented with paragraph 2, paragraphs 2 and 3 shall be renumerated as paragraphs 3 and 4 respectively:

2. The provisions specified in paragraph 1 of this Article in respect of awarding of the survivor's pension to a deceased person's spouse indicated in Article 35 of this Law shall not apply where the person deceased prior to 1 June 1991.

3. The survivor's or orphan's pension shall be awarded to the spouse and children (adopted children) of the persons deceased after the entry into force of the Law on State Social Insurance, i.e., after 1 June 1991, where the person was a permanent resident of the Republic of Lithuania on the day of his death.

4. The survivor's and orphan's pension shall not be awarded, and the payment of the pension already awarded shall be discontinued, to the persons who, by a court's judgement, have been convicted of a deliberate crime to the deceased for whom this pension is awarded or paid.

Article 35. Persons Entitled to the Survivor's Pension

1. The following persons shall be entitled to the survivor's pension:

1) a widow or widower who has attained the pensionable age, regardless of their age when the death of their spouse occurred;

2) a widow or widower rated as incapable or partially capable of work (before 1 July 2005 – invalids), provided they fulfil one of the following conditions:

a) had been rated as incapable or partially capable of work (before 1 July 2005 – invalids) prior to the death of their spouse or rated incapable or partially capable of work (before 1 July 2005 – invalids) within 5 years from the spouse's death;

b) were rated incapable or partially capable of work (before 1 July 2005 – invalids) while raising the deceased person's children (adopted children) under 18 years of age rated as disabled (before 1 July 2005 – invalids) as well as the deceased person's children (adopted children) rated as having lost 75-100% of their capacity for work (before 1 July 2005 – Group I invalids), where such children (adopted children) were recognised as disabled (before 1 July 2005 – Group I invalids) before attaining 18 years of age.

2. Entitlement to the survivor's pension shall be preserved where a widow or widower rated as capable of work after the awarding of the survivor's pension are again rated as incapable or partially capable of work before the lapse of 3 years of the discontinuation of the payment of the survivor's pension.

Version of paragraph 3 before 1 January 2008:

3. A widow or a widower who did not have children with the deceased spouse shall be entitled to the pension only if at least 5 years have lapsed from the day of marriage registration in accordance with the established procedure to the day of the spouse's death.

Version of paragraph 3 after 1 January 2008:

3. A widow or a widower who did not have children with the deceased spouse shall be entitled to the pension only if at least one year have lapsed from the day of marriage registration in accordance with the established procedure to the day of the spouse's death.

4. In the event of remarriage, the survivor's pension shall not be awarded to a widow or widower, and the payment of the pension already awarded shall be discontinued.

Article 36. Amount of the Survivor's Pension

1. For a widow or widower entitled to the survivor's pension, the survivor's pension shall be awarded in the basic amount of the state social insurance survivor's pension (paragraph 2 of this Article).

2. The basic amount of the state social insurance survivor's pension (hereinafter referred to as the "basic amount of the survivor's pension") shall be approved by the Government on the recommendation of the Ministry of Social Security and Labour. This amount may not be less than LTL 70.

Article 37.

Repealed on 1 January 2007.

Article 38. Calculation of the Survivor's and Orphan's Pension upon the Death of a Person who Received the Early Old-Age Pension Prior to his Death or Earlier

1. The right to receive the orphan's pension shall be granted to the deceased person's children and adopted children under 18 years of age as well as to older children where they had been rated as disabled (before 1 July 2005 – invalids) before attaining 18 years of age and where they have been incapable or partially capable of work (invalids) ever since attaining 18 years of age.

2. The full-time pupils and students of the higher as well as vocational and general education schools registered in the Republic of Lithuania in accordance with the established procedure who have attained 18 years of age shall be entitled to the orphan's pension until graduation (with the exception of the full-time pupils of general education schools who are entitled to the orphan's pension until 31 August of the year of their graduation), but not longer than until they attain 24 years of age.

3. An orphan rated as incapable or partially capable of work (before 1 July 2005 – invalid) shall retain the right to receive the orphan's pension where he attains the pensionable age during the payment of the orphan's pension.

4. The children (adopted children) of the deceased who are entitled to the orphan's pension shall also retain this right when they are adopted.

Article 39. Calculation and Amount of the Orphan's Pension

1. For a person entitled to the orphan's pension, this pension shall be awarded in the amount of 50% of the state social insurance work incapacity pension to which the deceased person could have

been entitled as established for the persons who have lost 60-70% of their capacity for work (before 1 July 2005 – the pension for Group II invalids), where the deceased person had not attained the pensionable age, or the amount of the state social insurance old-age pension to which the deceased person could have been entitled, where he had already attained the pensionable age. This amount shall be awarded where one child (adopted child) is entitled to the orphan's pension. Where two and more children (adopted children) are entitled to the pension, each of them shall be awarded equal portions of the pension not exceeding 100% of the total amount of the calculated work incapacity (invalidity) pension. Where, upon the awarding of the orphan's pension, another orphan (orphans) applies (apply) for the awarding or renewal of the payment of the pension, which results in the reduction of the amount of the work incapacity (invalidity) or old-age pension in respect of one orphan, the orphan's pension shall be recalculated as of the first day of a month following the month in which a new application with all the relevant documents enclosed was received.

2. Upon the death of a recipient of the old-age, work incapacity, invalidity or early old-age pension, the amount of the orphan's pension shall be calculated in accordance with the procedure laid down in paragraph 1 of this Article according to the amount of the pension received by the deceased. When awarding the orphan's pension, the reduction of the work incapacity pension calculated for the persons who have lost 45-55% of their capacity for work (before 1 July 2005 – the pension for Group III invalids) as specified in paragraphs 4 and 5 of Article 32 of this Law shall not apply.

3. Upon the approval of a new, larger amount of the state social insurance basic pension and/or new, larger insured income of the current year, orphan's pensions shall be increased accordingly.

4. Orphan's pensions shall be awarded to the orphans who have lost both parents for each of the deceased parents. Where after the death of their parents these orphans become entitled to the orphan's pension for a deceased adoptive parent, the orphan's pension for the adoptive parent shall be awarded and paid at their request instead of the orphan's pension for their parent where the orphan's pension for the adoptive parent is larger than the one received by them.

CHAPTER V

AWARDING AND PAYMENT OF STATE SOCIAL INSURANCE PENSIONS AND EXAMINATION OF DISPUTES ON THE PENSIONS

Article 40. Awarding of State Social Insurance Pensions

1. State social insurance pensions shall be awarded and paid by local offices of the State Social Insurance Fund Board in compliance with this Law as well as the Regulations for the Awarding and Payment of State Social Insurance Pensions as approved by the Government.

2. Pensions shall be paid by local offices of the State Social Insurance Fund Board according to a pensioner's permanent or actual place of residence. The services related to the delivery of pensions may be provided for an agreed price by postal and other undertakings by way of tender. Competitions shall be organised in accordance with the procedure laid down by the Law on Public Procurement. Where more than one undertaking participates in a tender and the price of delivery of pensions and other conditions are identical, priority shall be given to the post.

3. Applications for the awarding of a pension may be filed three months before a person becomes entitled to the state social insurance old-age pension or at any other time after a person becomes entitled to the state social insurance pension.

4. When applying for a pension, all the documents indicated in the Regulations for the Awarding and Payment of State Social Insurance Pensions and necessary for the awarding of the pension must be submitted.

5. A local office of the State Social Insurance Fund Board must take a decision on the awarding of a pension or the refusal to award a pension within the time limit established by the Regulations for the Awarding and Payment of State Social Insurance Pensions and must give notice thereof to the applicant. Where the awarding of a pension is refused, the reasons for the refusal must be indicated.

Article 41. Time Limits for the Awarding and Payment of a Pension

1. Under this Law, a state social insurance pension shall be awarded and paid as of the day when a person becomes entitled to the pension, but not more than for 12 months before the receipt of the documents required for the awarding of the pension at a local office of the State Social Insurance Fund Board.

2. In the case of a deferred application for the state social insurance old-age pension, the procedure laid down in Article 27 of this Law shall apply.

3. State social insurance pensions shall be awarded for lifetime or for a period during which a recipient of a pension remains entitled, under this Law, to the pension awarded. A local office of the State Social Insurance Fund Board paying a pension must notify a pensioner in advance of the expiry of a time limit for the awarding of the pension.

4. Upon the expiry of a time limit for the awarding of a pension, payment thereof shall be discontinued if a recipient of the pension is no longer entitled to it. Where a recipient of a pension fails,

for a valid reason, to timely apply for an extension of the payment of the pension, the pension shall be paid without interest for the entire period, but not more than for 3 years during which the payment thereof was discontinued and the recipient of the pension was entitled to the pension. Where there is no valid reason, but the person remains entitled to the pension, the payment of the pension shall be renewed as of the submission of documents for an extension of the payment of the pension.

5. Upon the death of a pensioner, a pension shall be paid to the persons who have taken care of his burial for the month during which the death occurred, where it has not been paid yet, and shall extend in the amount of the pension awarded to cover a two-month period.

Article 42. Awarding of a Pension Anew

1. The old-age or work incapacity pension may be awarded anew according to new data at the request of a recipient of the pension after he acquires an additional state social pension insurance record of at least 1 year while working under an employment contract or on the basis of membership or service (paragraphs 2 and 3 of Article 8).

2. Where a recipient of the old-age or work incapacity pension who has been awarded a pension under provisions of this Law as having the minimum, but not the obligatory insurance record acquires the obligatory insurance record while working under an employment contract or on the basis of membership or service after the awarding of the pension (paragraphs 2 and 3 of Article 8) or during self-employment (paragraphs 5 and 6 of Article 8), the old-age or work incapacity pension may be, at his request, awarded to him anew irrespective of the fact that the state social pension insurance record as acquired by him after the awarding of the pension was less than 1 year.

3. Provisions of paragraphs 1 and 2 of this Article shall apply accordingly when awarding work incapacity pensions to the recipients of invalidity pensions who have not attained the pensionable age instead of the invalidity pensions continued to be paid to them in accordance with the procedure laid down by this Law. In these cases, work incapacity pensions shall be awarded anew according to new data: to Group I invalids – as the persons who have lost 75-100% of their capacity for work, to Group II invalids – as the persons who have lost 60-70% of their capacity for work, to Group III invalids – as the persons who have lost 45-55% of their capacity for work. The work incapacity pensions awarded in the manner specified in this paragraph shall be paid until the expiry of the time limit of invalidity as established for a person. The recipients of invalidity pensions who have attained the pensionable age shall not be awarded work incapacity pensions. At their request, they shall be awarded the old-age pension instead of the invalidity pension according to the new data of the

insurance record and earnings or shall continue to be paid the invalidity pension until the expiry of the established time limit of invalidity.

Version of paragraph 4 before 1 January 2008:

4. Where a larger percentage of lost capacity for work is established for a person, the state social insurance work incapacity pension shall be awarded anew at the person's request according to new data or shall be paid according to the previous data of the insurance record and earnings by increasing it twofold (by establishing 60-70% of lost capacity for work instead of 45-55% of lost capacity for work or instead of Group III invalidity) or by commencing to pay the basic part of the pension (in the event of establishing 75-100% of lost capacity for work instead of 60-70% of lost capacity for work or instead of Group II invalidity) in the amount of 1,5 basic pensions (for those not having the obligatory insurance record – in proportion to the acquired period of insurance). Where a lower percentage of lost capacity for work is established, the state social insurance work incapacity pension shall not be awarded anew, but shall be paid according to the previous data of the insurance record and earnings by commencing to pay the basic part of the pension (in the event of establishing 60-70% of lost capacity for work instead of 75-100% of lost capacity for work or instead of Group I invalidity) in the amount of the basic pension (for those not having the obligatory insurance record – in proportion to the acquired insurance record) or a pension reduced by half shall be paid (in the event of establishing 45-55% of lost capacity for work instead of 60-70% of lost capacity for work or instead of Group II invalidity). Where a person is established 75-100% of lost capacity for work instead of Group I invalidity, 60-70% of lost capacity for work – instead of Group II invalidity, 45-55% of lost capacity for work – instead of Group III invalidity, the work incapacity pension shall commence to be paid in the amounts specified in Article 32 of this Law instead of the invalidity pension paid previously. Where after a repeated examination a person is again established the same percentage (percentage of the same interval) of lost capacity for work, he shall continue to be paid the work incapacity pension.

Version of paragraph 4 after 1 January 2008:

4. Where a larger percentage of lost capacity for work is established for a person, the state social insurance work incapacity pension shall be awarded anew at the person's request according to new data or shall be paid according to the previous data of the insurance record and earnings by increasing it twofold (by establishing 60-70% of lost capacity for work instead of 45-55% of lost capacity for work or instead of Group III invalidity) or by commencing to pay the basic part of the pension (in the event of establishing 75-100% of lost capacity for work instead of 60-70% of lost capacity for work or instead of Group II invalidity) in the amount of 150% of the basic state social insurance pension (for those not having the obligatory insurance record – in proportion to the acquired period of insurance). Where a

lower percentage of lost capacity for work is established, the state social insurance work incapacity pension shall not be awarded anew, but shall be paid according to the previous data of the insurance record and earnings by commencing to pay the basic part of the pension (in the event of establishing 60-70% of lost capacity for work instead of 75-100% of lost capacity for work or instead of Group I invalidity) in the amount of 110% of the basic state social insurance pension (for those not having the obligatory insurance record – in proportion to the acquired insurance record) or a pension reduced by half shall be paid (in the event of establishing 45-55% of lost capacity for work instead of 60-70% of lost capacity for work or instead of Group II invalidity). Where a person is established 75-100% of lost capacity for work instead of Group I invalidity, 60-70% of lost capacity for work – instead of Group II invalidity, 45-55% of lost capacity for work – instead of Group III invalidity, the work incapacity pension shall commence to be paid in the amounts specified in Article 32 of this Law instead of the invalidity pension paid previously. Where after a repeated examination a person is again established the same percentage (percentage of the same interval) of lost capacity for work, he shall continue to be paid the work incapacity pension.

Article 42⁽¹⁾. Calculation of a Bonus for the Length of the Record Anew

1. When the recipient of the old-age or work incapacity (invalidity) pension applies for the awarding of a pension anew (paragraphs 1, 3 and 4 of Article 42, part 2 of Article 46), the amount of a bonus for the length of the record shall be calculated anew according to new data of the state social pension insurance record (paragraphs 1–3, 5, 6 of Article 8) acquired before the month of the awarding of the pension anew. The amount of the bonus for the length of the record shall be calculated anew according to new data of the record also in the cases when the awarding of the pension anew is not beneficial for the recipient of the old-age or work incapacity (invalidity) pension.

2. Where the recipient of the old-age or work incapacity (invalidity) pension submits additional data about the periods held equivalent to the state social pension insurance record (paragraph 1, subparagraphs 1-9 of paragraph 2, paragraphs 3 and 4 of Article 54) and a full year of the state social pension insurance record is formed, the amount of a bonus for the length of the record shall be calculated anew according to the new data of the record as of the first day of the month following the month in which the recipient of the pension submitted the additional data on the record.

3. Where the type of a state social insurance pension as paid to a person or percentage of work incapacity changes or this pension is awarded anew or re-calculated, a bonus for the length of the record shall not be reduced, with the exception of the case when 45–55% of incapacity for work is

established instead of 60–70% of incapacity for work (Group II invalidity). In this case, the bonus for the length of the record shall be reduced by 50%.

4. When calculating the amount of a bonus for the length of the record, a person's state social pension insurance record for which a pension is paid under this Law shall be included.

Version of the title of Article 43 before 1 January 2008:

Article 43. Payment of a Pension upon Moving Abroad

Version of the title of Article 43 after 1 January 2008:

Article 43. Payment of a Pension upon a Pensioner's Moving Abroad (Returning to Reside in the Republic of Lithuania)

1. When a pensioner moves to permanently reside in another state, the awarded pension shall be paid to him, provided:

1) the pensioner has acquired at least the minimum state social pension insurance record required for the pension of an appropriate type while working in Lithuanian undertakings, agencies or organisations;

2) the pensioner is a rehabilitated political prisoner or deportee who acquired a part of the insurance record during imprisonment or at the place of deportation (Article 54).

2. In other cases, a pension shall be paid for six months ahead in the amount of the pension received in the month of departure, and its payment shall be discontinued thereafter.

Version of paragraph 3 before 1 January 2008:

3. Upon the accession of the Republic of Lithuania to international conventions or upon the conclusion of international treaties concerning the payment of a pension, the pension shall be paid as specified in the international conventions or treaties.

As of 1 January 2008, the Article shall be supplemented with paragraph 3, paragraph 3 shall be renumbered as paragraph 4.

3. A pensioner who, after he moved to permanently reside in another state, was paid a pension according to paragraph 1 of this Article shall continue to be paid this pension upon returning to reside in the Republic of Lithuania regardless of whether the pensioner has the status of a permanent resident of the Republic of Lithuania.

4. Upon the accession of the Republic of Lithuania to international conventions or upon the conclusion of international treaties concerning the payment of a pension, the pension shall be paid as specified in the international conventions or treaties.

Article 44. Overpayment or Underpayment of a Pension

1. The aggregate amount of a state social insurance pension not received in due time through the fault of an agency awarding or paying it shall be paid for the past period without any time limits.

2. A recipient of a pension must give notice to a local office of the State Social Insurance Fund Board which pays the pension to him of the circumstances influencing the amount or payment of the pension within ten days of the occurrence of such circumstances. Where a pension is overpaid as a result of the failure to give notice of such circumstances in due time, the amount overpaid shall be recovered from a recipient by a decision of the head of an agency paying the pension.

As of 1 January 2008, the Article shall be supplemented with paragraph 3:

3. Where a state social insurance pension is overpaid through the fault of an agency awarding or paying the pension, the amount overpaid shall not be recovered from a recipient.

Article 45. Appeals against Decisions of the Administration Agencies of the State Social Insurance Fund

1. Decisions of local offices of the State Social Insurance Fund Board on pension issues may be appealed against to the State Social Insurance Fund Board within 3 years of the day when a person learned or had to learn about a decision taken. The procedure for and time limits of examination of appeals shall be laid down by the Regulations for the Awarding and Payment of State Social Insurance Pensions.

2. Decisions of the State Social Insurance Fund Board and local offices thereof may be appealed against to court.

CHAPTER VI

PROCEDURE FOR THE PAYMENT OF AWARDED PENSIONS

Article 46. Recalculation of the Pensions Awarded before 1 January 1995

1. For the persons awarded state social insurance old-age and invalidity pensions before 1 January 1995, the pensions shall be recalculated under this Law according to the data on the insurance record and earnings as recorded in a pension file (Articles 49 and 50). Where the data on the earnings were recorded in the pension file several times, a pension shall be re-calculated as of 1 October 1995 according to the fixed earnings on the basis whereof the calculated coefficient of a person's insured income is the largest. Where pensioners so request, they may update the data contained in a pension file on the periods held equivalent to the state social pension insurance record according to provisions of

paragraph 1, subparagraphs 1-9 of paragraph 2 and paragraphs 3 and 4 of Article 54. Those who wish may also submit data on the earnings of another period in accordance with the procedure which was effective before 1 January 1995 and which has been amended by the Regulations for the Awarding and Payment of State Social Insurance Pensions. Upon the submission of new data before 1 July 1996, pensions shall be recalculated as of 1 October 1995, and upon the submission of the data later – as of the first day of the month following the month when the documents were submitted.

2. At the request of the persons to whom the state social insurance old-age or invalidity pension had been awarded before 1 January 1995 and who, after the awarding of the pension, acquired (acquire) an additional state social pension insurance record of at least 1 year while working under an employment contract or on the basis of membership or service (paragraphs 2 and 3 of Article 8, paragraph 1 and subparagraphs 1-9 of paragraph 2 of Article 54), the pension may be awarded anew pursuant to the provisions of this Law regarding the pensions awarded anew (Article 42). Pursuant to these provisions, the old-age or work incapacity pension may also be awarded anew to the old-age or invalidity pensioners who had been awarded pensions before 1 January 1995 without having the complete insurance record required at that time for the awarding of a pension and who, after the awarding of the pension and while working under an employment contract or on the basis of membership or service (paragraphs 2 and 3 of Article 8, paragraph 1 and subparagraphs 1-9 of paragraph 2 of Article 54) or during self-employment (paragraphs 5 and 6 of Article 8, paragraph 3 of Article 54), acquired (acquire) the obligatory insurance record as established by this Law irrespective of the fact that the state social pension insurance record as acquired by them after the awarding of the pension was less than 1 year.

3. Under this Law, loss of breadwinner's pensions shall not be recalculated and shall not be paid together with the old-age, work incapacity, invalidity, retirement, survivor's or orphan's pensions, with the exception of the orphan's pension, which shall be paid together with the loss of breadwinner's pension for a parent deceased before 1 January 1995. Loss of breadwinner's pensions shall be paid in accordance with the procedure laid down by the Regulations for the Awarding and Payment of State Social Insurance Pensions.

4. The retirement pension shall be recalculated to the state social insurance old-age or work incapacity pension only where recipient thereof has attained the pensionable age established by this Law or has been rated as incapable or partially capable of work. In these cases, the retirement pension shall be recalculated according the data on the insurance record and earnings as recorded in a pension file (Articles 49 and 50). A recipient of the retirement pension for whom this pension shall be recalculated to the old-age or work incapacity pension may supplement the data on the insurance record as

recorded in a retirement pension file by submitting documents about the insurance record acquired during the periods which are held equivalent to the state social pension insurance record according to provisions of paragraph 1, subparagraphs 1-9 of paragraph 2 and paragraph 3 of Article 54 of this Law. At the request of a recipient of the retirement pension, the old-age or work incapacity pension may also be awarded according to the provisions of this Law on the pensions awarded anew or the retirement pension may continue to be paid instead of the old-age or invalidity or work incapacity pension recalculated or awarded anew. The retirement pension as awarded before 1 January 1995 shall continue to be paid also to the recipients thereof who have not attained the pensionable age or have not been rated as incapable or partially capable of work (before 1 July 2005 – invalids). Retirement pensions shall be indexed in accordance with the procedure laid down in Article 52 of this Law. The persons who receive the old-age or work incapacity pension or to whom the invalidity pension continues to be paid shall not be paid the retirement pension. The procedure for recalculating and paying the pensions of officers and servicemen of the systems of the Interior, the Special Investigation Service, national defence, state security and the prosecutor's office shall be laid down by the Law on State Pensions of the Officers and Servicemen of the Interior, Special Investigation Service, State Security, National Defence, the Prosecutor's Office, the Prisons Department, Agencies and State Enterprises Subordinate to It.

Article 47 was repealed as of 1 January 2007.

Article 48. Basic Part of a Recalculated Pension

1. The basic part of the recalculated state social insurance old-age and invalidity pension shall be deemed to be equal to the amount of the basic part of an appropriate state social insurance pension (Article 23 and paragraph 2 of Article 32) where a person had been awarded the full amount of a pension of the appropriate type before 1 January 1995.

2. Where before 1 January 1995 a person had been awarded a partial pension, a portion of the amount of the basic part of an appropriate state social insurance pension obtained by multiplying the amount of the basic part of the appropriate state social insurance pension (Article 23 and paragraph 2 of Article 32) by the proved insurance record as recorded in a pension file and by dividing by the insurance record required for the awarding of the full pension at the time of the awarding of the pension shall be considered to be the basic part of the recalculated pension.

Article 49. Calculation of the Insurance Record Acquired before 1 January 1995 when Recalculating Awarded Pensions

1. The total insurance record as recorded in a pension file and acquired before the entry into force of the Law on State Social Insurance, i.e. before 1 June 1991, shall be deemed to be a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service. The periods included in the insurance record by increasing their duration shall be included as periods of calendar duration.

2. The periods of insurance record as recorded in a pension file after the entry into force of the Law on State Social Insurance, i.e. after 1 June 1991, shall be considered to be the state social pension insurance record acquired while working under an employment contract or on the basis of membership or service for the persons who are listed in Article 4 of the Law on State Social Insurance and who had paid fixed state social insurance contributions.

3. When recalculating the invalidity pension, the period indicated in subparagraph 2 of paragraph 3 of Article 32 shall be included in the insurance record. Where a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service before 1 January 1995 is longer than the one calculated according to provisions of paragraph 3 of Article 32, the supplementary part of the pension shall be calculated according to the person's total actual insurance record.

Article 50. Calculation of the Coefficient of a Person's Insured Income when Recalculating Awarded Pensions

1. When recalculating awarded pensions, the coefficient of a person's insured income (Article 19) shall be calculated according to the data recorded in a pension file in accordance with the following procedure:

1) where a pension has been awarded according to the average of the person's earnings as recorded in the file and calculated according to the data on the person's earnings before 1 January 1991, this average shall be divided by the average monthly wage in Lithuania of an appropriate period;

2) where the pension has been awarded according to data on the person's earnings after 1 January 1991 data, the monthly earnings recorded in the file shall be divided by the average wage in Lithuania of the month of an appropriate year, and the average of all the quotients calculated in this manner shall be considered to be the coefficient of insured income. In this case, the average wage of each month before 1 January 1991 shall be considered to be equal to the average monthly wage of that year in Lithuania.

2. When recalculating awarded pensions, the coefficient of a person's insured income shall not exceed 5.

Article 51. Rule of Non-reduction of a Pension

Where upon recalculation, after 1 January 1995, of a pension awarded before 1 January 1995 its amount decreases compared with the previous amount, a pensioner shall continue to be paid the pension awarded previously and not recalculated under this Law by further indexing it in accordance with the procedure laid down in Article 52 of this Law.

Article 52. Indexation of an Unrecalculated Pension after 1 January 1995

Version of paragraphs 1 and 2 before 1 January 2008:

1. A pension not recalculated under this Law shall be indexed every time upon the approval of a new amount of the basic pension or insured income of the current year.

2. A pension's part which does not exceed the new amount of the basic pension shall be indexed as the basic pension, whereas the remaining part – according to the ratio of the newly approved insured income to the previous insured income of the current year.

Version of paragraphs 1 and 2 after 1 January 2008:

1. A pension not recalculated under this Law shall be indexed in accordance with the procedure laid down in paragraph 2 of this Article every time upon the approval of a new amount of the basic state social insurance pension and/or insured income of the current year.

2. A pension's part which is equal to the former amount of 110% of the basic state social insurance pension shall be increased up to the new amount of 110% of the basic state social insurance pension, whereas the remaining part without the bonus for the length of the record shall be indexed according to the ratio of the newly approved insured income to the previous insured income of the current year, and the bonus for the length of the record – according to the new amount of basic state social insurance pension.

3. Where an unrecalculated pension without a bonus for the length of the record exceeds or after the indexation begins to exceed the maximum amount of an unrecalculated pension (LTL 500), it shall be paid in the amount of LTL 500 until a pension recalculated to that person under this Law without the bonus for the length of the record begins to exceed LTL 500. When a new maximum amount of an unrecalculated pension is approved in accordance with the procedure laid down in paragraph 4 of this Article, the unrecalculated pension paid without the bonus for the length of the period shall be indexed in

accordance with the procedure laid down in paragraphs 1 and 2 of this Article without exceeding the new maximum amount of the unrecalculated pension.

4. The maximum amount of an unrecalculated pension shall be approved by the Government alongside with the new amount of the basic pension. In comparison with the previously approved pension, the maximum amount of an unrecalculated pension shall be increased in the same percentage as the basic pension.

Article 53. Payment, Increase and Indexation of State Social Insurance Invalidity Pensions

1. State social insurance invalidity pensions shall, after 1 July 2005, continue to be paid until the expiry of a time limit for the awarding and payment of these pensions or until the awarding of state social insurance old-age or work incapacity pensions in accordance with the procedure laid down by this Law. Upon the approval of a new, larger amount of the state social insurance basic pension or new, larger insured income of the current year, the pensions for Group I invalids which continue to be paid shall be increased in the same way as work incapacity pensions for the persons who have lost 75-100% of their capacity for work, pensions for Group II invalids – in the same way as work incapacity pensions for the persons who have lost 60-70% of their capacity for work, pensions for Group III invalids – in the same way as work incapacity pensions for the persons who have lost 45-55% of their capacity for work. The invalidity pensions not recalculated after 1 January 1995 under this Law shall be further indexed in accordance with the procedure laid down by Article 52 of this Law.

2. Where the payment of the invalidity pension has been discontinued due to the capacity for work regained by a person, the payment of a pension awarded previously shall be renewed upon again rating him as incapable or partially capable of work, provided less than 3 years have lapsed of the discontinuation of the payment of the pension. In these cases, the work incapacity pension shall commence to be paid instead of the invalidity pension paid in accordance with the procedure laid down in paragraph 4 of Article 42 of this Law.

Article 53⁽¹⁾. Bonus for the Length of the Record in Respect of Recalculated and Unrecalculated State Social Insurance Pensions

1. The amount of a bonus for the length of the record in respect of recalculated and unrecalculated state social insurance old-age, work incapacity (invalidity) pensions, retirement pensions for recipients thereof who have acquired a state social pension insurance record exceeding

30 years shall be calculated by multiplying 3% of the state social insurance basic pension by the sum of every full year of the state social pension insurance record exceeding 30 years. The insurance record acquired before 1 January 1995 (paragraphs 1 and 2 of Article 49) and the insurance record acquired after 1 January 1995 (paragraphs 1-3, 5, 6 of Article 8) shall be included when calculating this bonus. This bonus shall be awarded to recipients of retirement pensions where they have attained the pensionable age or are rated as incapable or partially capable of work (before 1 July 2005 – invalids). In respect of the persons who are paid the pension for Group III invalids, the calculated bonus for the length of the service shall be reduced by 50%.

2. Where a pension is awarded anew (paragraphs 2 and 4 of Article 46) to the recipients of state social insurance pensions as indicated in paragraph 1 of this Article or a state social insurance pension of another type is awarded instead of the pension paid, a bonus for the length of the record shall not be reduced. In such cases, a new amount of the bonus for the length of the record shall be calculated, including additional data about the record acquired prior to the awarding of a pension of the same or another type.

CHAPTER VII

PENSIONS AWARDED AFTER 1 JANUARY 1995

Article 54. Periods Held Equivalent to the State Social Pension Insurance Record

1. The following periods before the entry into force of the Law on State Social Insurance, i.e. 1 June 1991, shall be held equivalent to a person's state social pension insurance record acquired by him while working under an employment contract or on the basis of membership or service:

1) the entire period of work of workers and servants as well as period of work of collective farm members on collective farms and the period of work of other persons who are indicated in the Regulations for the Awarding and Payment of State Social Insurance Pensions and who had to be covered by state social insurance under the effective USSR laws;

2) the period of creative activity of members of writers' union, artists' union, composers' union, cinematographers' union and other creative workers who were not members of these creative unions, but who were united by the professional committees of these creative unions regardless of the payment of social insurance contributions;

3) period of service in paramilitary security forces, special communication institutions and special rescue units regardless of departmental subordination and special or military rank.

2. The following periods before 1 January 1995 shall be held equivalent to a person's state social pension insurance record acquired while working under an employment contract or on the basis of membership or service:

- 1) the period of payment of compulsory state social insurance contributions of the persons covered by state social insurance according to Article 4 of the Law on State Social Insurance;
- 2) the period of payment of insurance contributions of the persons covered, on a voluntary basis, by voluntary state social insurance at state social insurance agencies;
- 3) the period during which the insured (employed) persons indicated in subparagraph 1 of this paragraph received sickness (temporary incapacity to work) as well as maternity benefits;
- 4) the period of studies at qualification improvement courses, post-graduate studies, doctoral studies and clinical residency;
- 5) actual period of military, frontier and internal service (with the exception of service in destroyer squads and battalions) as well as the period of compulsory military service in the Soviet army;
- 6) the periods of service of the state security officers who have sworn to the Republic of Lithuania (gone over to serve the Republic of Lithuania);
- 7) the actual period of imprisonment and deportation of rehabilitated political prisoners and deportees, provided this period is not included according to subparagraph 1 hereof;
- 8) the period of work of the persons who, during World War II, were deported for forced labour outside the former USSR as well as the period of confinement in ghettos, concentration or other confinement during World War II;
- 9) the actual period spent by participants in the armed resistance – volunteer soldiers in the structures of freedom fighters, unless this period has been included otherwise;
- 10) the period during which state social insurance invalidity pensions were received – in the cases specified in paragraph 4 of Article 8 of this Law.

3. The following periods before 1 January 2005 shall be held equivalent to a person's state social pension insurance record acquired during self-employment:

- 1) for mothers -- the period of raising and nursing at home of disabled children under 16 years of age;
- 2) for family members – the period of nursing an invalid in Group 1 at home;
- 3) the period of compulsory military service in the Lithuanian armed forces, internal service units of the Ministry of the Interior of the Republic of Lithuania and the State Border Guard Service;
- 4) the period of service of clergymen of all traditional churches and religious organisations in Lithuania.

4. The periods listed in this Article shall be included in the state social pension insurance record in accordance with the procedure laid down by the Regulations for the Awarding and Payment of State Social Insurance Pensions and only where a person does not receive other state pension for these periods.

Article 55. Income Held Equivalent to a Person's Insured Income

1. The following income shall be included in a person's insured income over the period before the entry into force of the Law on State Social Insurance, i.e. 1 June 1991:

- 1) all types of remuneration for work which had to be subject to state social insurance contributions according to the rules in force at that time;
- 2) all types of remuneration received by collective farm members for work on a collective farm;
- 3) the author's royalty received by the persons listed in subparagraph 2 of paragraph 1 of Article 54;
- 4) earnings of the persons who served in paramilitary security forces, special communication institutions and special rescue units.

2. The following income shall be included in a person's insured income over the period before 1 January 1995:

- 1) the earnings and other income of the persons covered by state social insurance under Article 4 of the Law on State Social Insurance from which obligatory state social insurance contributions have been paid as well as received sickness (temporary incapacity to work) and maternity benefits;
- 2) the insurance amounts as declared by the persons covered, on a voluntary basis, by pension insurance at state social insurance agencies;
- 3) the remuneration received by the servicemen and officers of the Interior and state security indicated in Article 54;
- 4) income of the persons attending qualification improvement courses, post-graduate students, doctoral students, hospital physicians as well as clinical residents as established by the State for an appropriate category of recipients.

Article 56. Specific Features of Calculation of the Coefficient of Insured Income

1. Before 1 January 1995, the annual coefficients of insured income had been calculated according to the average monthly wage calculated for the current year in respect of employees of the public sector, public and private companies and announced by the Statistics Department.

2. As of 1 January 1995, the coefficients of a person's insured income shall be calculated separately according to five consecutive most favourable calendar years of his state social pension

insurance record acquired while working under an employment contract or on the basis of membership or service (hereinafter referred to in this Article as “the insurance record”), selected by the person from the period between 1 January 1984 and 1 January 1994, and according to the total number of years included in the insurance record after 1 January 1994, but not exceeding a total of 20 years. As of 1 January 2009, the years of a person’s insurance record before 1 January 1994 shall not be included in the calculation of the average. In respect of the persons who had become entitled to the state social insurance old-age pension before 1 January 2009, the formula of calculation of the supplementary part of the state social insurance old-age pension (Article 24) shall consist of two separate parts: $0,005 \times s \times k \times D + 0,005 \times S \times K \times D$. The first half of the supplementary part of the old-age pension shall contain a person’s insurance record and the coefficient of insured income before 1 January 1994, and the second half – the person’s insurance record and the coefficient of insured income after 1 January 1994. In respect of the persons who shall become entitled to the state social insurance old-age pension as of 1 January 2009 and later, the formula of calculation of the supplementary part of the state social insurance old-age pension shall consist of one part containing the person’s entire insurance record and the coefficient of insured income calculated according to the person’s insured income received since 1 January 1994, but not exceeding 25 most favourable calendar years of that person’s insurance record as selected by him (Articles 19 and 24).

3. The coefficient of a person’s insured income according to his insured income before and after 1 January 1994 shall not exceed 5.

4. Where a person cannot submit data about the income held equivalent to insured income (Article 55) for a period held equivalent to the state social pension insurance record (paragraph 1 and subparagraphs 1-9 of paragraph 2 of Article 54) for important reasons or due to the circumstances beyond his control (documents have not been preserved completely or partially, the person worked in the republics of the former USSR, was on a parental leave raising a child under 3 years of age, an undertaking, agency or organisation in which he was employed no longer operates, although it has not been liquidated, the person fulfilled compulsory military service in the Soviet army, etc.), the coefficient of the person’s insured income shall be calculated according to the minimum monthly wage of that period, and where the person worked part-time – according to the portion of the minimum monthly wage corresponding to the part of the salary received by the person. Where all the documents of an undertaking, agency or organisation in which the person worked have been preserved, but they do not contain any data about the person’s income during a period held equivalent to the state social pension insurance record before 1 June 1991, the coefficient of the person’s insured income shall be calculated considering that the income of that period was equal to zero. The

coefficient of insured income for a period during which a person received the state social insurance invalidity pension before 1 January 1995 shall be calculated in accordance with the procedure laid down by Article 18 of this Law according to alternative income (Article 15)⁽¹⁾ or according to insured income (Article 55).

5. Where a person does not have the five most favourable consecutive calendar years indicated in paragraph 2 of this Article, though he had the insurance record every year over the five consecutive calendar years from the period between 1 January 1994 and 1 January 1994 (hereinafter referred to in this paragraph as “the indicated period”), the coefficient of his insured income shall be calculated according to the five consecutive years of this insurance record. Where a person had, within the indicated period, the insurance record over the five non-consecutive calendar years, the coefficient of his insured income shall be calculated according to the five non-consecutive years of the insurance record in compliance with the calendar sequence of years. Where a person had, within the indicated period, the insurance record which is less than five consecutive or non-consecutive calendar years or did not have any period of insurance within the specified period, the coefficient of his insured income shall be calculated by taking the years which are necessary for a five-year insurance record from the previous period, counting backwards from 1983 to 1974 inclusive.

6. Where during the periods indicated in paragraphs 2 and 5 of this Article a person does not have any insurance record acquired while working under an employment contract or on the basis of membership or service (paragraphs 2 and 3 of Article 8, paragraphs 1 and 2 of Article 54), the ratio of the minimum monthly salary as valid in the month of the awarding of the pension and approved by a resolution of the Government (where the resolution of the Government approves different amounts of this salary – the minimum monthly salary of the largest amount) to the insured income of the year of the awarding of the pension shall be considered to be the coefficient of his insured income.

7. Where the coefficient of a person’s insured income has been calculated in accordance with the procedure laid down in paragraph 4 of this Article according to the minimum monthly wage of an appropriate period or a part thereof and upon the receipt of data on the income of that period held equivalent to insured income, the coefficient of the person’s insured income shall be calculated according to this income.

Article 57. Regulation of the Pensionable Age and the Insurance Record during the Transitional Period 1. Before 1 January 1995, the pensionable age shall be: for females – 55 years and for males – 60 years .

2. As of 1 January 1995 and on 1 January of each subsequent year until 1 January 2001, the pensionable age shall be increased annually: for females – by four months per year and for males – by two months per year. As of 1 January 2001 and on 1 January of each subsequent year, the pensionable age shall be increased for females and for males by six months per year until it reaches the pensionable age specified in Article 21 of this Law: for females – 60 years and for males – 62 years and 6 months.

3. The obligatory state social pension insurance record for the state social insurance old-age pension before 1 January 1995 shall be: for females – 20 years and for males – 25 years.

CHAPTER VIII

PROVISIONS FOR THE INCREASE OF OLD-AGE AND INVALIDITY PENSIONS AS OF 1 MARCH 2004 AND APPLICATION THEREOF TO THE WORK INCAPACITY PENSIONS AWARDED AS OF 1 JULY 2005

Article 58. Conditions of the Increase of State Social Insurance Old-Age and Invalidity Pensions as of 1 March 2004

1. State social insurance old-age and invalidity pensions shall be increased as of 1 March 2004 for the persons who fulfil all of the following conditions:

1) have the obligatory state social pension insurance record for the old-age or invalidity pension, where the pension was awarded after 1 January 1995, or had the insurance record required for the awarding of the entire amount of the old-age or invalidity pension, where the pension had been awarded under the pensions laws in force in the Republic of Lithuania before 1 January 1995;

2) recipients of old-age pensions have the state social pension insurance record specified in paragraph 3 of Article 57 of this Law (for females – 20 years and for males – 25 years) and acquired while working under an employment contract or on the basis of membership or service before 1 January 1995;

3) recipients of invalidity pensions acquired a portion of their state social pension insurance record (regardless of duration thereof) while working under an employment contract or on the basis of membership or service before 1 January 1994. Where the entire insurance record of a recipient of the invalidity pension was acquired in 1994, the invalidity pension shall be increased where a portion of this insurance record was acquired while working under an employment contract or on the basis of membership or service and where the invalidity pension was awarded in 1994;

4) the amount of a single state social insurance old-age or invalidity pension awarded to a person does not exceed LTL 325 per month. Where the same person has been awarded several state social insurance pensions, state pensions, compensation for special working conditions, signatory's state annuity, state annuity of signatory's survivors and orphans, annuity of artists, monthly benefit of professor emeritus, etc., paid from the state budget or the budget of the State Social Insurance Fund (hereinafter referred to as "pensions and pension benefits"), – where the aggregate amount of these pensions and/or pension benefits does not exceed LTL 325 per month. When increasing the state social insurance Group III invalidity pension awarded and paid to a person, account shall be taken of the amount of the invalidity pension according to Group II invalidity.

2. A person's compliance with all the conditions specified in this Article and necessary for the increase of state social insurance old-age and invalidity pensions shall be determined according to the state social pension insurance record recorded in the person's pension file as on 1 March 2004 and the amount of the pension awarded (total aggregate amount of awarded pensions and/or pension benefits).

Article 59. Increase of State Social Insurance Old-Age Pensions

1. The state social insurance old-age pensions awarded under this Law to the persons fulfilling the conditions specified in subparagraphs 1, 2 and 4 of paragraph 1 of Article 58 of this Law shall be increased according to the following formula:

$PP_s = [M + (R - M) BPS / R - BPS] S / S_n$, where:

PP_s – individual increment of the old-age pension;

M – maximum increment of the old-age pension – LTL 120;

R – the limit of the increase of the old-age pension – LTL 325;

BPS – the amount of a single state social insurance old-age pension awarded to a person or the aggregate amount of awarded pensions and/or pension benefits;

S – the person's entire state social pension insurance record acquired while working under an employment contract or on the basis of membership or service;

S_n – norm of the state social pension insurance record (for females – 20 years and for males – 25 years).

2. The individual increment of the old-age pension PP_s having been calculated in accordance with the procedure laid down in paragraph 1 of this Article, the coefficient of a person's insured income as calculated for the period before 1 January 1994 shall be changed according to the following formula:

$k_p = k + PP_s / (0,005 \times s \times D)$.

3. The changed coefficient k_p shall be entered in the formula for the calculation of the first half of the supplementary part of the old-age pension for the period before 1 January 1994 (paragraph 2 of Article 56) instead of the calculated coefficient k of the person's insured income. Where the old-age pension has been increased in accordance with the pension increase procedure effective as of 1 January 2003, the new coefficient which has been accordingly increased as of 1 March 2004 shall be entered instead of the rate k_p of a person's insured income as changed during the first increase.

4. In the cases when the increase, as of 1 March 2004, of state social insurance old-age pensions calculated in accordance with the procedure laid down in this Article is less than LTL 1, these pensions shall be increased by LTL 1.

Article 60. Increase of State Social Insurance Invalidity Pensions

1. The state social insurance invalidity pensions awarded under this Law to the persons fulfilling the conditions specified in subparagraphs 1, 3 and 4 of paragraph 1 of Article 58 of this Law shall be increased according to the following formula:

$PP_{inv} = M + (R - M) \cdot BPS / R - BP$, where:

PP_{inv} – individual increment of the invalidity pension;

M – maximum increment of the invalidity pension – LTL 120;

R – the limit of the increase of the invalidity pension – LTL 325;

BPS – the amount of a single state social insurance invalidity pension awarded to a person or sum of awarded pensions and/or pension benefits. Where a person has been awarded and is paid the state social insurance Group III invalidity pension, the increase of this pension shall take account of the amount of the invalidity pension according to Group II invalidity.

2. The individual increment of the invalidity pension PP_{inv} having been calculated in accordance with the procedure laid down in paragraph 1 of this Article, the coefficient of the person's insured income as calculated for the period before 1 January 1994 shall be changed according to the following formula:

$k_p = k + PP_{inv} / (0,005 \times s \times D)$.

3. The changed coefficient k_p shall be entered in the formula for the calculation of the first half of the supplementary part of the invalidity pension for the period before 1 January 1994 instead of the calculated rate k of the person's insured income. Where the invalidity pension has been increased in accordance with the pension increase procedure effective as of 1 January 2003, the new coefficient which has been accordingly increased as of 1 March 2004 shall be entered instead of the rate k_p of a person's insured income as changed during the first increase.

4. In the cases when the increase, as of 1 March 2004, of state social insurance invalidity pensions calculated in accordance with the procedure laid down in this Article is less than LTL 1, these pensions shall be increased by LTL 1.

Article 61. Procedure for Increasing the State Social Insurance Old-Age and Invalidity Pensions Recalculated under This Law

1. The state social insurance old-age and invalidity pensions recalculated under this Law for the persons fulfilling the conditions specified in paragraph 1 of Article 58 of this Law shall be increased in accordance with the procedure laid down in Articles 59 and 60 of this Law.

2. Upon the calculation of the individual increment of a pension PP_s or PP_{inv} , the coefficient of a person's insured income in the formula for the calculation of the pension shall be accordingly changed according to the formula:

$$K_p = K + PP_s / (0,005 \times S \times D) \text{ or } K_p = K + PP_{inv} / (0,005 \times S \times D).$$

3. The changed rate K_p shall be entered in the formula for the calculation of the supplementary part of state social insurance old-age and invalidity pensions instead of the previous calculated coefficient of the person's insured income K . Where the old-age or invalidity pension has been increased in accordance with the pension increase procedure effective as of 1 January 2003, the new coefficient which has been accordingly increased as of 1 March 2004 shall be entered instead of the coefficient K of a person's insured income as changed during the first increase.

4. In the cases when the increase, as of 1 March 2004, of state social insurance old-age and invalidity pensions calculated in accordance with the procedure laid down in this Article is less than LTL 1, these pensions shall be increased by LTL 1.

Article 62. Procedure for Increasing Unrecalculated State Social Insurance Old-Age and Invalidity Pensions

1. The state social insurance old-age and invalidity pensions which have not been recalculated for the persons fulfilling the conditions specified in paragraph 1 of Article 58 of this Law shall be increased in accordance with the following procedure:

1) unrecalculated old-age pensions shall be increased by adding the increment PP_s (paragraph 1 of Article 59) to the unrecalculated old-age pension paid to a person;

2) unrecalculated Group I and Group II invalidity pensions shall be increased by adding the increment PP_{inv} (paragraph 1 of Article 60) to the unrecalculated invalidity pension paid to a person. The unrecalculated Group III invalidity pension paid to a person shall be increased as follows: The

Group III invalidity pension shall be multiplied by two, the amount obtained shall be increased by adding the invalidity pension increment PP_{inv} , and the amount of the increased Group II invalidity pension shall be reduced by 50%.

2. The increased old-age and invalidity pensions which have not been recalculated shall be further indexed in accordance with the procedure laid down in Article 52.

Article 63. Procedure for Increasing the State Social Insurance Pensions Awarded for the First Time as of 1 March 2004

1. The old-age and invalidity pensions awarded for the first time as of 1 March 2004 shall be increased according to provisions of Articles 59 and 60 of this Law of the awarding of the pension, provided a person fulfils on that day all the conditions specified in paragraph 1 of Article 58 of this Law.

2. Where the state social insurance old-age pension awarded to a person must be reduced due to the fact that the person has chosen to participate in the accumulation of pensions under the Law on Reform of the Pension System (paragraph 4 of Article 17) or due to the fact the person has received the early old-age pension under the Law on the Early Payment of State Social Insurance Old-Age Pensions, the calculated amount of non-reduced state social insurance old-age pension shall be increased.

Article 64. Application of Provisions of Articles 58-63

1. When determining whether a recipient of the state social insurance old-age or invalidity pension fulfils the conditions specified in subparagraphs 2 and 3 of paragraph 1 of Article 58 of this Law, account shall be taken of the state social pension insurance record acquired by the person and calculated according to provisions of this Law, where the pension has been awarded (is awarded) as of 1 January 1995. Where the old-age or invalidity pension had been awarded before 1 January 1995, entitlement to the increase of the old-age or invalidity pension shall be granted only to the recipients of these pensions whose insurance record as indicated in subparagraphs 2 and 3 of paragraph 1 of Article 58 consists of the insurance record calculated according to the pension laws in force in the Republic of Lithuania before 1 January 1995 and/or according to provisions of this Law.

2. Where the state social insurance old-age or invalidity pension has not been increased as of 1 March 2004 (Articles 59 and 60) or as of the awarding thereof (Article 63) due to the failure to fulfil all the conditions specified in paragraph 1 of Article 58 of this Law, the pension shall be increased as

soon as the person fulfils them as of the first day of the month following the month when the person began to fulfil these conditions.

3. Where the coefficient of a person's insured income has been increased according to provisions of Articles 59 and 60 or the pension increment has been added to the amount of the unrecalculated old-age or invalidity pension according to paragraph 1 of Article 65 and in the event of the occurrence of the circumstances due to which the coefficient k_p or K_p or the increment PP_s or PP_{inv} may decrease or increase, the changed coefficient or pension increment shall not be changed, with the exception of the cases specified in paragraphs 4 and 5 of this Article and the cases when, upon the evaluation of the circumstances occurred, the difference between the amount of the increased pension which has been calculated according to k_p or K_p and the amount of the pension calculated according to the coefficient k or K begins to exceed the maximum pension increment specified in paragraph 1 of Article 59 and paragraph 1 of Article 60 and indexed in accordance with the established procedure (amount M). In such cases, the application of the provisions on the increase of a pension shall be regulated by Article 65 of this Law.

4. Where upon the increase of the old-age or invalidity pension it transpires that on the day of the increase of the pension, a person was entitled to other pensions and/or pension benefits awarded to him after the increase of the pension, but as of the dates preceding the increase of the pension or as of the increase of the pension, the person's entitlement to the increase of the old-age or invalidity pension shall be determined anew as of the increase of the pension. In these cases, the overpayment of the old-age or invalidity pension shall be recovered by a decision of the director of a local office of the State Social Insurance Fund Board in accordance with the procedure laid down in the Regulations for the Awarding and Payment of State Social Insurance Pensions.

5. When the coefficient of a person's insured income as calculated for a period prior to 1 January 1994 in respect of a recipient of the state social insurance old-age or work incapacity (invalidity) pension to whom the pension was awarded after 1 January 1995 has been increased according to provisions of Articles 59 and 60 of this Law, the changed coefficient k_p shall not be changed when awarding the pension anew (Article 42), also when awarding the old-age pension to a recipient of the work incapacity (invalidity) pension upon attaining the pensionable age, provided this is of benefit to the person. When a recipient of the state social insurance invalidity pension applies for the awarding of the old-age pension for the first time, also when a recipient of the state social insurance old-age or invalidity pension applies for the awarding of the pension anew (paragraph 2 of Article 46), where these pensions had been awarded to them prior to 1 January 1995, or when a recipient of the state social insurance work incapacity pension for whom the amount of this pension

has been established according to data of the invalidity pension awarded prior to 1 January 1995 applies for the awarding of the pension, his entitlement to the increase of the pension shall be determined anew as of the awarding of the old-age or invalidity pension according to the newly calculated data on the insurance record and the amount of the pension (aggregate amount of pensions and/or pension benefits). Where it transpires that it is of benefit to a person to continue to receive the pension paid before an application for the awarding of the pension for the first time (or anew), he shall continue to be paid the pension paid to him previously.

6. The entitlement of the persons entitled to the old-age pensions increased due to deferred application (Article 27) to the increase of the pensions according to provisions of Articles 58 and 59 shall be determined taking account of the amount of the pension (aggregate amount of pensions and/or pension benefits) without the increase for the period of deferred application. In such cases, the pension shall be increased according to Article 59 of this Law and shall be further increased for the period of deferred application in accordance with the procedure laid down by Article 27 of this Law.

7. The early old-age pensions awarded under the Law on the Early Payment of State Social Insurance Old-Age Pensions shall not be increased according to provisions of Articles 58 and 59 of this Law.

Article 65. Application of the Increase of State Social Insurance Old-Age and Invalidity Pensions

In the cases giving rise to the circumstances which are indicated in paragraph 3 of Article 64 of this Law and due to which the amount of the old-age or invalidity pension should be recalculated, the pensions shall be increased in accordance with the following procedure: taking account of the circumstances occurred, the old-age or invalidity pension shall be calculated according to the coefficient k or K of a person's insured income. The old-age or invalidity pension shall be further calculated according to the changed coefficient k_p or K_p . Where the difference between the calculated amounts of pensions exceeds the maximum pension increment (the amount M) specified in paragraph 1 of Article 59 and in paragraph 1 of Article 60 of this Law and indexed according to the insured income of the current year (paragraph 1 of Article 16) as valid when the circumstances occurred, the changed coefficient k_p or K_p shall be recalculated so that the amount of the increase of the pension would not exceed the indexed maximum pension increment (the amount M), and in respect of Group III invalids – would not exceed one half of the indicated maximum pension increment. These provisions on the recalculation of the changed coefficient k_p or K_p shall not apply in the cases when

the amount of the state social insurance basic pension or the insured income of the current year increases.

Article 66. Increase of Work Incapacity Pensions

The provisions of Articles 58, 60 and 63-65 of this Law on the conditions of and procedure for increasing state social insurance invalidity pensions shall accordingly apply to the work incapacity pensions awarded as of 1 July 2005. Work incapacity pensions shall be increased for the persons fulfilling all the required conditions specified for the increase of invalidity pensions as of the awarding of the work incapacity pension.

Article 66⁽¹⁾. Determination of the Right of the Persons who have Acquired a State Social Pension Insurance Record Exceeding 30 Years to Increase of Pensions According to Provisions of Articles 58–66 of this Law

The right of the persons who have acquired a state social pension insurance record exceeding 30 years to increase of state social insurance old-age and work incapacity (invalidity) pensions according to provisions of Articles 58-66 of this Law shall be determined by including the amount of a pension (the sum of pensions and/or pension benefits) and excluding the bonus for the length of the service.

CHAPTER IX

COMPENSATIONS FOR SPECIAL WORKING CONDITIONS

Article 67. Compensations for Special Working Conditions

1. The persons who had not been awarded the state social insurance old-age or retirement pension before 1 January 1995, a Republic of Lithuania pension or personal pension or after 1 January 1995 – a permanent compensation benefit specified by other legal acts for special working conditions and who worked under the special conditions specified in this Article shall become entitled to monthly compensations. These persons shall be entitled to a state social insurance pension in accordance with the general procedure laid down by this Law and the Law on the Early Payment of State Social Insurance Old-Age Pensions.

2. For the persons who before 1 January 1995 had been engaged in underground works and works under hazardous working conditions and in hot workshops as indicated in list No 1 of production,

workshops, professions and positions which was in effect in Lithuania as well as for the persons who were engaged in other works under difficult conditions as indicated in list No 2:

1) for the males who had been engaged in the works contained in list No 1 for at least 10 years and for females – for at least 7,5 years, the compensation shall be paid for 10 years;

2) for the males who had been engaged in the works contained in list No 2 for at least 12,5 years and for females – for at least 10 years, the compensation shall be paid for 5 years.

3. For flight personnel and flight-test personnel: for the males who had worked for 25 years according to the list of flight personnel and flight-test personnel in effect before 1 January 1995 and for the females who had worked according to this list for 20 years, the compensation shall be paid for 10 years.

4. For the persons who had been engaged in the following works before 1 January 1995, the compensation shall be paid for 5 years:

1) for the persons who had worked for at least 15 calendar years in the regions of the Far North of the former USSR or for at least 20 years in equivalent locations according to a list of the regions of the Far North and locations of the Far North in effect before 1 January 1995;

2) for the females who had been engaged for at least 20 years at textile undertakings in the works as indicated in the list of textile production and professions which was in effect in Lithuania;

3) for the females who had worked for at least 15 years as tractor-drivers in agriculture, other branches of economy and as drivers of construction, road building and auto-loaders according to the list of production and professions which was in effect in Lithuania;

4) for the actors with certain insurance record entitling them to the retirement pension according to the Regulations for the Awarding and Payment of Retirement Pensions to Employees of Theatres and other Theatre and Audience Institutions in force before 1 January 1995;

5) for civil aviation employees: for the males who had been engaged in air traffic control and had had a dispatcher's certificate for at least 15 years, and for females – for at least 10 years;

6) for the civil aviation technical staff who had worked according to the list of civil aviation technical staff in effect before 1 January 1995: for the males who had worked for at least 20 years and for females – for at least 15 years.

5. The persons who had worked for at least a half of the period specified in paragraphs 2-4 of this Article and required to receive compensation for special working conditions shall be paid a part of the compensation in proportion to the period worked. Where a period of work of not less than 10 years under the conditions indicated in this Article is required to receive the compensation, a part of the compensation shall be subject to at least a half of this period during 1988-1994; where the required

period of work is not to exceed 15 years, at least a half of this period must to fall during 1986-1994; where the required period of work is 20 years, at least a half of this time must fall during 1983-1994; where the required period of work is 25 years, at least a half of this period must fall during 1980-1994; where the required period of work is 30 years, at least a half of this period must fall during 1978-1994.

6. Where a person, for the reasons mentioned in this Article, is entitled to several compensations, only the largest compensation shall be paid to him.

7. The amount of a monthly compensation shall consist of 150% of the state social insurance basic pension. The persons indicated in paragraph 3 and subparagraph 4 of paragraph 4 of this Article may be paid compensation of the fixed amount chosen by them, but not less than 50% and not more than 150% of the amount of the state social insurance basic pension per month.

8. For the persons entitled to either full compensation or a part thereof, with the exception of those indicated in paragraph 3 and subparagraph 4 of paragraph 4 of this Article, the payment of the compensation shall commence as many months in advance left until the attaining of the pensionable age specified by this Law as are required for the payment of the compensation. Where the time limit for the payment of the compensation or a part thereof to a person expires (or had expired before 9 November 2001), and the person has not attained yet (or had not attained before 9 November 2001) the pensionable age, the compensation shall be paid to him until he attains the pensionable age, irrespective of the fact that in such cases, the number of the monthly compensations to which the person is entitled is exceeded. For the persons indicated in paragraph 3 and subparagraph 4 of paragraph 4 of this Article and entitled to full compensation or a part thereof, the payment of the compensation may commence earlier if they no longer hold an office entitling them to the compensation. The payment of the compensation shall commence as of the date at their choice according to their application submitted to a local office of the State Social Insurance Fund Board. In such case, the total number of monthly compensations to be paid must not exceed the number of monthly compensations due to this person.

9. It shall be possible to apply for the awarding and payment of compensation three months prior to the date of entitlement to the compensation as specified in paragraph 8 of this Article or at any other time following the date of entitlement to the compensation. Where the persons entitled to the compensation apply for awarding of the compensation after the time limits laid down for the commencement of the payment of the compensation in paragraph 8 of this Article, the compensation shall be paid to them as of the date of entitlement to the compensation, but for a period not exceeding 12 months preceding the receipt of the documents required for the awarding and payment of the compensation by a local office of the State Social Insurance Fund Board.

10. The conditions of and procedure for paying compensation to the persons who worked under special working conditions outside Lithuania shall be laid down by international agreements and treaties.

11. The procedure for calculating and paying compensations shall be laid down by the Government of the Republic of Lithuania.

I promulgate this Law passed by the Seimas of the Republic of Lithuania.

PRESIDENT OF THE REPUBLIC

ALGIRDAS BRAZAUSKAS