

Text consolidated by Tulkošanas un terminoloģijas centrs (Translation and Terminology Centre)
with amending laws of:

27 December 1996;

24 September 1998;

16 December 1999;

23 November 2000.

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted and the
President has proclaimed the following Law:

On Compulsory Social Insurance in Respect of Accidents at Work and Occupational Diseases

Chapter I General Provisions

Section 1. Terms Used in this Law

The following terms are used in this Law:

1) **employer** – a natural or legal person who employs the employee or pays for the work of the employee;

2) **insurance compensation** – monetary payments and services to the insured person, as well as monetary payments to a third person if an insurable event has occurred;

3) **insurable event** – the fact, confirmed by relevant documents, of an accident at work or an accident while commuting to or from work in a means of transport which is possessed by the employer, or contracting an occupational disease which has been determined and has resulted in a temporary work disability, partial or complete loss of ability to work, or the death of the insured person;

4) **insured person** – a person who is subject to insurance in respect of accidents at work and occupational diseases pursuant to the Law On State Social Insurance;

5) **occupational diseases** – diseases characteristic to certain categories of employees, which are caused by physical, chemical, hygienic, biological and psychological factors in the working environment. The list of occupational diseases shall be approved by the Cabinet;

6) **risk group** – an aggregate of criteria (the state of the working environment, the degree

of risk of the work to be performed, the number of accidents and occupational diseases) which are applied to determine the compulsory contribution rate;

7) **loss of ability to work** – temporary or permanent limitation of physical or mental capacity, not related to ageing, caused by an accident at work, an accident while commuting to or from work in a means of transport, which is possessed by the employer, or by an occupational disease, which encumbers the integration of the person into society, entirely eliminates or partly restricts the capacity to work and take care of oneself;

8) **wage subject to insurance contributions** – paid employment income from which the compulsory state insurance contributions (hereinafter – compulsory contributions) are paid pursuant to the Law On State Social Insurance;

9) **accident at work** – harm caused to the health of the insured person or the death of the insured person, if the cause of such is an extraordinary incident, which has occurred within one working day (shift) during the performance of work duties, as well as while acting to save any person or property and to prevent a threat of danger to such;

10) **preventive measures** – measures subsidised or organised by the State Social Insurance Agency, the State, employers and their organisations, organisations of employees, as well as any other institutions, the purpose of which is to prevent accidents at work or occupational diseases;

11) **third person** – a person who has, pursuant to this Law, the right to insurance compensation or a part of such, if the consequence of the insurable event is the death of the insured person; and

12) **compulsory contributions** – compulsory contributions for insurance in respect of accidents at work and occupational diseases paid by the employer pursuant to the Law On State Social Insurance.

13) **technical assistance equipment** – any equipment or technical system, specially produced or generally available, which are used by persons with functional disabilities and which rectifies, compensates, relieves or neutralises the illness, disability or feebleness, as well as reduces the possibility of the onset of disability.

[27 December 1996; 24 September 1998; 16 December 1999].

Section 2. The Purpose of this Law

(1) This Law shall determine:

1) the organising of compulsory insurance in respect of accidents at work and occupational diseases (hereinafter – insurance);

2) the formation and use of the insurance resources;

3) the rights and obligations of insured persons and insurance institutions; and

4) liability for violation of this Law.

(2) The objectives of this Law are:

1) to ensure insurance compensation, restoration of health and ability to work and integration into society of the insured person if the person has suffered harm from an accident at work or contracted an occupational disease;

2) to guarantee material support to third persons;

3) to ensure the implementation of preventive measures in order to improve the working environment, educate employers and employees, prevent accidents at work and the contracting of

occupational diseases; and

4) by applying the principles of compulsory contribution rates and risk groups in the determination of the average wage subject to contributions, to create economic interest for employers to undertake organisational, technical, hygienic and prophylactic medical measures which guarantee work safety and maintain the ability of employees to work throughout their whole working life.

[24 September 1998]

Section 3. Scope of Application of the Law

This Law shall apply to:

- 1) insured persons; and
- 2) employers.

[27 December 1996; 24 September 1998; 16 December 1999]

Chapter II Organising of Insurance

Section 4 State Social Insurance Agency

Insurance in respect of accidents at work and occupational diseases shall be performed by the State Social Insurance Agency.

[24 September 1998]

Section 5. Co-operation with State and Local Government Institutions

[24 September 1998]

Section 6. Functions of the State Social Insurance Agency

-In providing insurance in respect of accidents at work and occupational diseases, the functions of the State Social Insurance Agency shall be the following:

- 1) to organise compulsory insurance in respect of accidents at work and occupational diseases;
- 2) to determine the risk group applicable for each employer and the relevant compulsory contribution rate;
- 3) [24 September 1998]
- 4) to ensure insurance compensation for an insured person or a third person, including

cases when the employer has not made the expected insurance payments in accordance with the procedures prescribed by law;

5) to assess each insurable event and to determine the amount of insurance compensation;

6) to control the collection of insurance funds and the use of the collected funds;

7) to facilitate the organisation of preventive measures in accordance with the recommendations of the State Labour Inspection;

8) to provide incentives for employers to improve the working environment;

9) to request from employers the information necessary for the operation of the State Social Insurance Agency;

10) to examine applications by employers, insured persons and third persons;

11) to request from State and local government authorities the information necessary for the operation of the State Social Insurance Agency;

12) to discontinue the payment of insurance compensation, if it is ascertained that the compensation were not legally due, as well as in cases when the insured person has not fulfilled the obligations imposed on them;

13) to collect, by judicial process, the amounts groundlessly paid to an insured person or a third person, if the cause of the groundless payments has been the consequence of an insured person or a third person having knowingly acted in bad faith ;

14) to ensure that the insured person is examined on a regular basis by the State Medical Commission for Expert-Examination of Health and Working Ability (hereinafter – the State Medical Commission) with the participation of representatives of the State Social Insurance Agency, if it is suspected that the loss of ability to work has been wrongly assessed;

15) to collect from the employers, by way of subrogation, the amounts which have been paid to insured persons or to third persons, if an insured person has suffered harm, for whom the employer has not made the due compulsory contributions in accordance with the procedures prescribed by this Law; and

16) to collect the amounts paid to insured persons or to third persons, by way of subrogation, from employers who have not ensured compliance with the requirements of the Law On Occupational Safety and other regulatory enactments and as a result, at the premises of such an employer a person insured by another employer has suffered harm while performing their work there at the instruction of their own employer.

[27 December 1996; 24 September 1998]

Section 7. Obligations of Employers

(1) Employers shall have the following obligations:

1) [24 September 1998]

2) to organise without delay rendering of first aid to the insured person who has suffered harm from an accident at work or an accident while commuting to or from work in a means of transport which is possessed by the employer, as well as ensure their conveyance to a medical institution;

3) to ensure a medical examination of the state of health of the insured person at a medical institution, if the doctor has suspicions that an occupational disease has been contracted;

4) to ensure the investigation of an accident at work or an occupational disease in accordance with the procedures prescribed by law, and, on the basis of the investigation materials, to take the necessary measures in order to eliminate the causes for accidents at work and the contracting of occupational diseases;

5) to pay, out of their own funds, to the insured person who has suffered from an accident at work a monetary payment for sickness for the first 14 calendar days in the amount of 80 per cent of the average monthly wage subject to insurance contributions . and

6) to pay to employees a lump sum benefit to the amount of one monthly salary (wages) if due to the fault of the employer as a result of a work accident, the employee has suffered serious bodily injury.

(2) [24 September 1998]

(3) [24 September 1998]

(4) [24 September 1998]

(5) Pursuant to Section 25, Paragraph three of this Law, the employer shall reimburse, by way of subrogation, the State Social Insurance Agency the costs related to the insurance compensation paid to insured persons and third persons, if the employer has not made the compulsory contributions in accordance with the procedures prescribed by law.

[27 December 1996; 24 September 1998; 16 December 1999]

Chapter III

Determination of Insurance Compensation

[24 September 1998]

Section 8. Procedures for Determination of Insurance Compensation

The procedures for the use of insurance funds and for the granting and calculation of insurance compensation shall be specified by the Cabinet.

[24 September 1998]

Section 9. Insurance Funds [24 September 1998]

Section 10. Risk Groups and Compulsory Contribution Rates

(1) The risk groups and the corresponding compulsory contribution rates shall be specified by the Cabinet.

(2) The risk group applicable for the employer shall be specified by the State Social Insurance Agency.

[27 December 1996; 24 September 1998]

Section 11. Collection and Payment of Insurance Payments [24 September 1998]

Section 12. Calculation of Average Wage Subject to Insurance Contributions

(1) The average monthly wage subject to insurance contributions shall be calculated from the monthly wage subject to insurance contributions of the insured person for a term of six calendar months, and this term shall be terminated two calendar months before the month in which the insurable event has occurred.

(2) The procedures for the calculation of the average wage subject to insurance contributions for the determination the insurance compensation shall be specified by the Cabinet

[24 September 1998]

Section 13. Use of Insurance Funds

(1) [24 September 1998]

(2) [24 September 1998]

(3) When calculating the insurance compensation for the loss of ability to work, a condition shall be complied with that the referred to compensation must not be less than the compensation (disability pension) to such persons (disabled persons) whose disability group or level of disability is identical to the loss of ability to work of the insured person, but has resulted from general illness or heredity.

(4) The amount of the calculated compensation for the loss of ability to work or of the compensation for the loss of a provider shall be reviewed every year, taking into account increases in the consumer price index.

(5) If the amount of the calculated compensation for the loss of ability to work or of the compensation for the loss of a provider has not been received in time due to a fault of the institution granting or paying such compensation, the amount of compensation shall be multiplied by the coefficient of inflation for such period of time.

Section 14. Insurance Compensation

(1) Insurance compensation shall include monetary payments and provision of services to the insured person, as well as monetary payments to a third person.

(2) The insured person shall be entitled to receive the following monetary payments:

1) sickness benefit;

2) compensation for the loss of ability to work;

3) a lump sum benefit which can be substituted for the compensation for the loss of ability to work, if the State Medical Commission has established a permanent loss of ability to work within the range of 10 to 24 per cent; and

4) compensation for additional expenses.

(3) The following services shall be provided for the insured person:

1) medical treatment, care, and medical rehabilitation;

2) retraining; and

3) occupational rehabilitation.

(4) The following monetary payments shall be provided for a third person:

1) compensation for the loss of a provider paid to the family members of the insured person who are not able to work and have been supported by the insured person; and

2) funeral benefit for the insured person.

(5) When granting insurance compensation (monetary payments for temporary work disability, loss of ability to work, loss of a provider, as well as payments of lump sum benefits and compensation), its basis shall be the average monthly wage subject to insurance contributions of the insured person. The monthly sickness benefit, compensation for the loss of ability to work or compensation for the loss of a provider, as well as the total amount of the payments specified in Paragraph two, Clause 4 of this Section, may not exceed an amount of twenty-five times the State social security benefit.

(6) Insurance compensation shall be granted from the day the right arises, but not sooner than 12 months before the day of submitting the request for the compensation and the documents necessary for the granting of it

[27 December 1996; 24 September 1998; 16 December 1999; 23 November 2000]

Section 15. Payment of Insurance Compensation for a Past Period

The calculated insurance compensation which have been granted to an insured person or a third person, but have not been received by the insured person or the third person in due time, shall be paid for a past period, but not longer than for:

1) three years – compensation for the loss of ability to work, benefits for the loss of a provider; or

2) one year – sickness benefits and lump sum benefits.

[24 September 1998]

Chapter IV

Rights of Insured Persons and Third Persons and Obligations of Insured Persons

Section 16. Status of an Insured Person [24 September 1998]

Section 17. Rights of Insured Persons and Third Persons

(1) The insured person who has suffered harm from an accident at work or contracted an occupational disease and in respect of whom an insurable event has occurred shall have the right to receive insurance compensation specified in Section 14 of this Law. This provision shall apply also to a person who is not an insured person any more, but who has been an insured person at the time of the occurrence of the insurable event.

(2) The insured person and the third person shall have the right to receive from the State Social Insurance Agency any information related to the relevant insurable event.

(3) A third person shall have the right to receive insurance benefits specified in Section 14 of this Law, if the death of the person referred to in Paragraph one of this Section has been caused by an accident at work or an occupational disease.

(4) If an insured person or a third person who has acquired the right to insurance compensation pursuant to this Law leaves Latvia for permanent residence abroad, such a person shall continue to receive the insurance compensation, starting with the day of departure for such period of time and in such amounts as provided by this Law.

(5) If the person who is entitled to compensation for the loss of ability to work is at a place of deprivation of liberty, such a person shall lose the right to the compensation for the time period spent at the place of deprivation of liberty.

(6) The insured person and the third person shall lose the right to insurance benefits, if it is discovered that they are not entitled to such, or the grounds for the granting (receipt) and payment of such has been the consequence of a knowing malicious action of the insured person or the third person.

[27 December 1996; 24 September 1998]

Section 18. Obligations of Insured Persons

Insured persons shall have the following obligations:

1) to observe the requirements of labour protection laws and other regulatory enactments, as well as to act in accordance with the instructions given for the performance of particular work by the employer or a person who is entitled to give such instructions on behalf of the employer;

2) if an accident at work has occurred:

a) to notify without delay the employer or an authorised person of the employer,

b) if their state of health permits, to seek first aid by themselves;

3) in respect of an accident at work or the contracting of an occupational disease, to use the medical assistance covered by the special budget for occupational contingencies;

4) to follow doctor's recommendations, encourage recovery and observe the general medical treatment regimen;

5) during the period of receipt of the insurance compensation, to keep to the type of occupation and schedule prescribed by the State Medical Commission; and

6) to make use of the occupational rehabilitation and retraining financed by the State Social Insurance Agency.

[27 December 1996; 24 September 1998]

Chapter V

Monetary Payments to the Insured Person

Section 19. Sickness Benefit

(1) If the cause of a temporary loss of the ability to work is an accident at work or an occupational disease, the grounds for payment of a benefit to the insured person shall be a work disability

statement issued in accordance with the procedures specified by the Cabinet and a confirmation of the employer regarding the absence of the insured person from work.

(2) The sickness benefit shall be paid to the insured person for a period not exceeding 52 calendar weeks. If the recovery period of the ability to work lasts longer than 16 calendar weeks for the insured person, the decision for further medical treatment of such a person shall be made by the State Medical Commission.

(3) The sickness benefit and the monetary payment for sickness shall be granted to the insured person in the amount of 80 per cent, based on the average monthly wage subject to insurance contributions, and it shall be paid to the insured persons in accordance with the following procedures:

1) if an accident at work has occurred: for the first 14 days of the work disability – by the employer from their own resources; but for the remaining period of the work disability until the recovery of the ability to work, or until the time when insurance compensation for a level of work disability are payable - by the State Social Insurance Agency;

2) if the insured person has contracted an occupational disease: starting from the day of work disability when a special medical commission has determined the occupational disease until the day of recovery, or until the day when a level for the loss of ability to work is determined;

(4) [24 September 1998]

[27 December 1996; 24 September 1998]

Section 20. Compensation for the Loss of Ability to Work

(1) In such insurable events when the State Medical Commission has established a loss of ability to work on the basis of a referral of a medical institution or a doctor in accordance with law, the State Social Insurance Agency shall grant compensation to the insured person for the loss of ability to work.

(2) Compensation for the loss of ability to work shall be paid to the insured person for every month, starting with the day when the loss of ability to work was determined, taking into account the loss of ability to work of the insured person and the average monthly wage subject to insurance contributions. The loss of ability to work and the relevant time period shall be determined by the State Medical Commission.

(3) When determining the compensation for the loss of ability to work, the average monthly wage subject to insurance contributions shall be taken into account and calculated for the period of time prior to the day when:

1) the accident at work occurred or the loss of ability to work was determined; or

2) due to an occupational disease, the amount of the work to be done decreased, or the work was stopped completely, or the loss of ability to work was determined (in case of an occupational disease, the time period for which the average monthly wage subject to insurance contributions is calculated shall be chosen by the State Social Insurance Agency together with the insured person).

(4) Depending on the loss of ability to work determined by the State Medical Commission, insurance compensation for the loss of ability to work shall be determined for the insured person; the amount of such compensation shall be specified as a percentage of the average monthly wage subject to insurance contributions in the following amounts:

1) 80 per cent – if the loss of ability to work is 100 per cent;

- 2) up to 80 per cent – if the loss of ability to work is 80 - 90 per cent;
- 3) up to 65 per cent – if the loss of ability to work is 50 –79 per cent;
- 4) up to 50 per cent – if the loss of ability to work is 25 – 49 per cent; and
- 5) up to 30 per cent – if the loss of ability to work is 10 – 24 per cent.

(5) If an insured person is receiving compensation for the loss of ability to work and another accident at work occurs to such person, or an occupational disease is determined, such compensation shall be recalculated in accordance with the established loss of ability to work. In such case, the average monthly wage subject to insurance contributions shall be equal to the one which was established when granting the previous compensation for loss of ability to work, except in cases when the average monthly wage subject to insurance contributions calculated after another accident at work occurred or after the contracting of an occupational disease exceeds the one calculated before. In such cases, the new compensation shall be determined according to the higher average monthly wage subject to insurance contributions.

(6) If the insured person who receives compensation for the loss of ability to work, in accordance with the opinion of the State Medical Commission, is unable to take care off himself or herself and is in need of assistance from another person, the State Social Insurance Agency is entitled to increase the benefits for the loss of ability to work granted to such a person up to 50 per cent of the benefits the person is entitled to, or to hire a worker from the social care service within the scope of such amount.

(7) Tax may not be imposed on compensation for the loss of ability to work, unless tax legislation specifies otherwise.

(8) [24 September 1998]

(9) Compensation for the loss of ability to work shall be paid to the insured person for the whole period, which has been specified by the State Medical Commission for the relevant loss of ability to work. As soon as the insured person is granted an old age pension, the compensation for the loss of ability to work shall be reduced by 20 per cent

[27 December 1996; 24 September 1998]

Section 21. Lump Sum Benefits and Compensation

(1) If the State Medical Commission has determined a permanent loss of ability to work in the range of 10 – 24 per cent for an insured person, the State Social Insurance Agency may, in accordance with the regulations of the Cabinet, instead of compensation for the loss of ability to work, pay to the insured person a lump sum benefit calculated as the amount from three and up to eighteen average monthly wages subject to insurance contributions.

(2) The State Social Insurance Agency shall compensate the insured person additional expenses that have been incurred due to an accident at work or occupational disease, compensate expenses for prosthetic devices, disbursement for an escort, travel expenses to medical treatment institutions, expenses for the purchase of technical assistance equipment and repair of such, as well as pay for a person's medical treatment, care, medical and professional rehabilitation, if these expenditures are not covered by health care services minimum or the social assistance State programme. The decision on granting such a lump sum benefit shall be taken by the State Social Insurance Agency if the doctor has confirmed the need of such assistance and if it has not been provided free of charge.

(3) Tax may not be imposed on lump sum benefits and compensation, unless the tax legislation specifies otherwise.

[27 December 1996; 24 September 1998; 16 December 1999]

Chapter VI

Guarantees in the Event of Death of an Insured Person

Section 22. Funeral Benefit

- (1) If an accident at work, a disease caused by an accident at work, or an occupational disease has resulted in the death of an insured person, a funeral benefit shall be granted.
- (2) A funeral benefit shall be granted and paid to the parents of the insured person, the surviving spouse and children, or another natural or legal person who has undertaken to arrange the funeral.
- (3) A funeral benefit shall be granted and paid in the amount of twice the average monthly wage subject to insurance contributions, but not less than five times the State social security benefit which was in effect on the day of the death of the insured person.
- (4) If as a result of an accident at work or an occupational disease the death of an insured person has occurred abroad, and the funeral expenses exceed the amount specified in this Section, due to reasons referred to in Paragraph one of this Section, the State Social Insurance Agency shall be entitled to increase the funeral benefit by the amount necessary to cover the funeral expenses, on the basis of invoices and receipts which confirm the aforementioned expenses

[24 September 1998]

Section 23. Compensation for the Loss of a Provider

- (1) If an accident at work or an occupational disease has resulted in the death of an insured person, family members who are unable to work who were fully or partially supported by such a person, shall have the right to compensation for the loss of a provider.
- (2) Compensation for the loss of a provider shall be calculated on the basis of the average monthly wage subject to insurance contributions of the insured person, and benefits shall be granted in the following amounts:
 - 1) to the surviving spouse and the parents – up to 25 per cent;
 - 2) to the surviving spouse (irrespective of the compensation referred to in Paragraph two, Clause 1 of this Section), one of the grandparents (irrespective of their age), one of the adult brothers (adult sisters), if he (she) is raising a child of the insured person under the age of eight years - up to 25 per cent. The same applies to the surviving spouse who is expecting a child of the insured person after his death;
 - 3) to the children of the insured person until they reach the age of 18, if one of the parents has survived: a) to one child – up to 25 per cent; b) to two children – up to 35 per cent; c) to three children – up to 45 per cent; and d) to four and more children – up to 55 per cent;
 - 4) to the children of the insured person until they reach the age of 18, if they have become orphans: a) to one child – up to 40 per cent; b) to two children – up to 50 per cent; c) to three children – up to 60 per cent; and d) to four and more children – up to 70 per cent; and
 - 5) to the children of the insured person who are over the age of 18, if they have become disabled before the age of 18; brothers, sisters and grandchildren who are under the age of 18 and

do not have parents able to work; brothers, sisters and grandchildren irrespective of their age, if they do not have parents able to work and they have become disabled under the age of 18; children who are, at the time of the death of the provider or later, full-time students of secondary or higher educational institutions, if they are under the age of 24 - 25 per cent each.

(3) The children who have been under the guardianship of or who were adopted by the insured person, if the guardianship or the adoption was confirmed prior to the accident at work or prior to the occurrence of the last work disability caused by the occupational disease; the stepchildren, if they do not receive child support from their parents; as well as the illegitimate children of the insured person, have the same right to the compensation for the loss of a provider as the children born in marriage.

(4) The adopters, the stepfather and the stepmother of the insured person, if they were supported by the insured person and had raised and provided maintenance for the insured person for not less than five years, have the same right to the compensation for the loss of a provider as the parents of the insured person.

(5) The compensation to the persons referred to in Paragraph two of this Section may not exceed 80 per cent from the average monthly wage subject to insurance contributions of the insured person, and it may not be less than the State social security benefit.

(6) The compensation for the loss of a provider to the persons referred to in Paragraph two, Clause 5 of this Section, shall be calculated only if the compensation for the loss of a provider have been ensured for the persons referred to in Paragraph two, Clauses 1, 2 and 3 or Clauses 2 or 4 of this Section.

(7) To the family members of the insured person, who are paid the compensation for the loss of a provider pursuant to Paragraph two, Clause 1 of this Section, the referred to payments shall be discontinued on the day when the insured person would have reached the age required for the entitlement of old age pension. In such case, each such person shall be paid a lump sum benefit in the amount equal to the sum due to such person in compensation for the loss of a provider for a period of one year (if the right to the compensation does not cease to be valid during this period of time).

(8) The right to the benefits for the loss of a provider arises on the day of the death of the provider. Such benefits shall be calculated starting from the day the right arises and shall be paid when the right to the benefits has been confirmed by documentation.

[27 December 1996; 24 September 1998; 16 December 1999]

Chapter VII

Liability for Violations of the Law and Procedures for Examination of Disputes

Section 24. Liability for the Making of Insurance Payments [24 September 1998]

Section 25. Liability for Concealment of Information and Provision of False Information

(1) For the concealment of information, provision of false information, or the submission of such information past term, if it is related to a reduction in the amount of the average monthly wage subject to insurance contributions, the compulsory contribution debt and a fine in the amount of the debt shall be collected from the employer, but in the case of each repeated violation within one year

– the debt and a fine in the amount of twice the debt of payments.

(2) For a failure to submit information, account documents or control documents in due time, or for evasion to submit such, as well as for submission of false information to the State Social Insurance Agency the employer shall be held liable in accordance with procedures prescribed by law.

(3) If an insured person has suffered harm from an accident at work or contracted an occupational disease, but the employer has not made, in accordance with the procedures prescribed by law, the initial and current compulsory contributions, then all payments related to the insurance benefits that such person is entitled to shall be covered by the State Social Insurance Agency, and such payment amounts shall be collected, by way of subrogation, from the employer by the State Social Insurance Agency

[27 December 1996; 24 September 1998]

Section 26. Liability of Insured Persons and Deductions from Payments

(1) If an insured person has knowingly failed to fulfil the obligations set out in Section 18 of this Law, the State Social Insurance Agency shall discontinue the payment of the insurance compensation, but if the cause of insurance compensation payments has been the consequence of the insured person or a third person knowingly acting in bad faith, the State Social Insurance Agency shall collect from such persons, through judicial process, the amounts groundlessly paid to them.

(2) Deductions from payments, which are made from the special budget for contingencies at work, can be performed on the basis of:

1) court adjudication and decisions of other institutions (officials) that are executed in accordance with the procedures, which have been prescribed for the execution of court adjudication;

2) decisions of institutions (officials) which are to be executed by uncontested procedures; and

3) an order by the director of a branch of the State Social Insurance Agency to collect the amounts overpaid to the insured person due to the fault of the insured person. In such case not more than 10 per cent from the amount to be paid shall be collected monthly.

(3) Deductions from payments, which have been made from the special budget for contingencies at work, shall be calculated from the amount to be paid to the recipient. The total monthly amount of deductions may not exceed 50 per cent of the amount to be paid. If payment is terminated before the discharge of the debt, branches of the State Social Insurance Agency shall collect the remaining amount of the debt in accordance with the procedures prescribed by law.

(4) No deductions shall be made from funeral benefits

[27 December 1996; 24 September 1998]

Section 27. Procedures for Settlement of Disputes

Disputes between the State Social Insurance Agency, the employer, the insured person or a third person who has the right to receive the insurance compensation pursuant to this Law, shall be settled in accordance with the procedures prescribed by law

[24 September 1998]

Transitional Provisions

1. The Law shall also apply to the persons who were insured against accidents at work and occupational diseases in the Republic of Latvia prior to 17 June 1940 and lost the ability to work due to an accident at work or an occupational disease.
2. Prior to the adoption of the Law On Social Insurance, insurance contributions for insurance in respect of accidents at work or occupational diseases shall be deemed as social insurance contributions and shall be included in the social tax rate.
3. Expenditures that are necessary in order to implement insurance in respect of accidents at work and occupational diseases shall be partly covered by the State base budget in 1997.
4. For persons who have suffered harm from an accident at work or who have been determined to have an occupational disease up to 1 January 1997, as well as persons who up to the date referred to had the right to receive compensation for harm caused due to the loss of a provider, if the cause of the death of the provider was an accident at work or an occupational disease, the compensation for the harm done shall be paid by the employer or his or her successor in interest. If the judicial fact is determined that the employer or his or her successor in interest who is liable for the harm caused at work is undeterminable, the compensation for the compensation for harm payments shall be paid by the State Social Insurance Agency. The procedures for the calculation, financing and payment of the compensation for harm shall be determined by the Cabinet.
5. The amount of the compensation for the loss of ability to work, or the compensation for the loss of a provider, as calculated until the year 2000, shall be reviewed every six months, taking into account the increase in the consumer price index.
6. Until the establishment of risk groups and the compulsory insurance payment rates applicable for them, the Cabinet shall determine a unified compulsory insurance payment rate.
7. During the time when the expenditures of the social insurance special budget exceed revenue and the loan from the State basic budget has not been fully repaid, the total amount of the payment specified in Section 14, Paragraph five of this Law may not be greater than 750 lati and the funeral benefit specified in Section 22, Paragraph three of this Law may not be less than 150 lati. The Minister for Finance shall notify in the newspaper *Latvijas Vēstnesis* regarding the fact that the loan from the State basic budget has been fully repaid. With 1 January of the following year, the application of the restrictions provided for in this Paragraph shall cease.

[24 September 1998; 16 December 1999; 23 November 2000]

The Law shall come into force on 1 January 1997.

This Law has been adopted by the *Saeima* on 2 November 1995.

[24 September 1998]

President

G. Ulmanis

Riga, 17 November 1995

**Transitional Provisions Regarding Amendments
to the Law On Compulsory Social Insurance in Respect of Accidents at Work and
Occupational Diseases**

Transitional Provisions
(regarding amending Law of 23 November 2000)

This Law shall come into force on 1 July 2001.