

Disclaimer: The English language text below is provided by the Translation and Terminology Centre for information only; it confers no rights and imposes no obligations separate from those conferred or imposed by the legislation formally adopted and published. Only the latter is authentic. The original Latvian text uses masculine pronouns in the singular. The Translation and Terminology Centre uses the principle of gender-neutral language in its English translations. In addition, gender-specific Latvian nouns have been translated as gender-neutral terms, e.g. chairperson.

Republic of Latvia

Cabinet

Regulation No 310

Adopted 25 April 2006

Procedures for Reviewing the Amount of State Pensions, Compensation for the Loss of Ability to Work and Compensation for the Loss of a Provider

*Issued pursuant to
Section 26 of the Law On State Pensions
and Section 8
of the Law On Compulsory Social Insurance
in Respect of Accidents at Work and Occupational Diseases
"arodslimībām" 8.pantu*

1. These Regulations prescribe the procedures by which the amount of State pensions (hereinafter — a pension), compensation for the loss of ability to work and compensation for the loss of a provider (hereinafter — compensation) shall be reviewed (indexed) up to 31 December 2014.
2. The granted (re-calculated) pensions and compensation shall be reviewed each year on 1 October. During the time period up to 31 December 2009, the pensions the amount of which does not exceed the threefold amount of the State social security benefit shall be reviewed once every six months — on 1 April and 1 October.
3. The indices to be applied for the review of pensions and compensation shall be calculated by the State Social Insurance Agency (hereinafter — the Agency) on the basis of the data at the disposal thereof and the statistics data of the Central Statistics Bureau.
4. In the annual review of pensions and compensation (on 1 October) the consumer price index shall be applied for the determination of which the data of the Central Statistics Bureau regarding the actual consumer price index for the time period from 1 September of the previous year until 31 August of the current year shall be taken into account.
5. If pensions are reviewed once every six months, the consumer price index shall be applied for the determination of which the following data of the Central Statistics Bureau shall be taken into account:
 - 5.1. the actual consumer price index in the time period from 1 September of the previous year until 28 (29) February of the current year — (29.) in reviewing pensions on 1 April; and
 - 5.2. the actual consumer price index in the time period from 1 March until 31 August of the current year — in reviewing pensions on 1 October.

Translation © 2006 Tulkošanas un terminoloģijas centrs (Translation and Terminology Centre)

6. In the annual review of pensions (on 1 October) for the calculation of the actual increase in the percentage of the wage subject to insurance contributions, the index of the wage subject to insurance contributions for the previous year calculated by the Agency shall be taken into account.

7. Taking into account the amounts of pensions and the time periods for the application of the appropriate indices specified in Paragraph 15 of the Transitional Provisions of the Law On State Pensions, pensions shall be reviewed in accordance with the following procedure:

7.1. on 1 April the consumer price index specified in Sub-paragraph 5.1 of these Regulations shall be applied (if pensions are reviewed once every six months); and

7.2. on 1 October the following shall be applied:

7.2.1. the consumer price index specified in Paragraph 4 of these Regulations or the index calculated in conformity with the formula specified in Paragraph 8 of these Regulations for the calculation of which both the consumer price index specified in Paragraph 4 and the actual increase index of the average wage subject to insurance contributions shall be taken into account (if pensions are reviewed once a year); or

7.2.2. the consumer price index specified in Sub-paragraph 5.2 of these Regulations or the index calculated in conformity with the formula specified in Paragraph 8 of these Regulations taking into account both the consumer price index specified in Sub-paragraph 5.2 and the actual increase index of the average wage subject to insurance contributions (if pensions are reviewed once every six months).

8. If in the review of pensions an index is applied which is calculated taking into account both the consumer price index and the actual increase index of the wage subject to insurance contributions, the total index shall be calculated by using the following formula:

$$I = PCI_n + [(A_t / PCI_t - 1) \times D], \text{ where}$$

I — the index to be applied in the review of pensions (expressed as a rate of increase with four decimal places);

PCI_n — the consumer price index in the reference period n specified in Paragraph 4 or Sub-paragraphs 5.1 or 5.2 of these Regulations (expressed as a rate of increase with four decimal places);

A_t — the index of the wage subject to insurance contributions for the previous calendar year (expressed as a rate of increase with four decimal places);

PCI_t — the consumer price index for the period conforming to the index A_t (expressed as a rate of increase with four decimal places); and

D — the part expressed as a percentage, which is applied for the calculation of the actual increase percentage of the wage subject to insurance contributions:

1) by 31 December 2014 — not less than 50% (for the pensions the amount of which does not exceed the threefold amount of the State social security benefit); and

2) from 1 January 2010 until 31 December 2014 — not less than 25% (for the pensions the amount of which exceeds the threefold amount but does not exceed the fivefold amount of the State social security benefit).

9. In the re-calculation of pensions the amount of the granted or re-calculated pension shall be taken into account for the determination of which during the granting or re-calculation period the Agency has performed the updating of the old age pension capital in accordance with Section 12, Paragraph one of the Law On State Pensions, by applying the indices of the wages

subject to insurance contributions — the ratio of the amount of the wages subject to social insurance contributions in the period from 1 August of the previous year until 31 July of the current year in relation to the respective previous period.

10. If a pension is re-calculated in accordance with Section 23 or Section 38 of the Transitional Provisions of the Law On State Pensions for the period before the granting (re-calculation) of a pension or, in re-calculating the pension, the average wage that is subject to insurance contributions used in the granting (re-calculation) of the pension is not changed, the pension shall be reviewed at the time of the re-calculation thereof taking into account all the indices applied to the relevant pension before its re-calculation.

11. When a disability pension is re-calculated due to the change of the disability group, in accordance with Section 16, Paragraph four of the Law On State Pensions all the consumer price indices applied to the indexation of the disability pension after the granting (re-calculation) thereof shall be applied to the average wage of a person, which wage was subject to insurance contributions and was taken into account in the granting (re-calculation) of the disability pension before the day when the disability group was changed.

12. If compensation is re-calculated in accordance with Sections 20 and 23 of the Law On Compulsory Social Insurance in Respect of Accidents at Work and Occupational Diseases (if the percentage of the loss of ability to work or the number of dependants has changed), without changing the average wage subject to insurance contributions applied in the granting the compensation, the relevant compensation shall be reviewed at the time of the re-calculation thereof taking into account all those actual consumer price indices which were applied to the relevant compensation before the re-calculation thereof.

13. If the review of a pension is suspended on the basis of a submission by the pension recipient, the review shall be renewed within the time periods specified in Section 25, Paragraph two, Clause 1 of the Law On State Pensions if the pension recipient submits to one of the branches of the Agency a submission regarding the renewal of the review of the pension. In renewing the review of the pension, all the indices shall be applied which were specified in the relevant time period when the pension recipient had declined the review of the pension.

14. In the review of the survivor's pension, the total amount thereof shall be indexed (including the part to be disbursed from the State base budget). The increase of a pension shall be financed from the State pension special budget.

15. In order to ensure the review of pensions and compensation, the Central Statistics Bureau by 10 March of the current year and by 10 September of the current year, shall provide the Agency with information regarding the consumer price indices in the periods referred to in Paragraphs 4 and 5 of these Regulations, taking into account Paragraph 8 of these Regulations.

16. Cabinet Regulation No. 304 of 16 July 2002, Procedures for Reviewing the Amount of State Pensions, Compensation for Loss of Ability to Work and Compensation for Loss of a Provider, is repealed (*Latvijas Vēstnesis*, 2002, No.107; 2004, No. 103).

Prime Minister

A. Kalvītis

Acting for the Minister for Welfare,
Special Assignments Minister—
for Social Integration Matters

K. Pētersone