

N jāText consolidated by Valsts valodas centrs (State Language Centre) with amending regulations of:

19 May 2009;

22 October 2009;

22 December 2009;

8 June 2010.

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

Cabinet

Regulation No. 866

Adopted 21 October 2008

**Procedures for the Calculation of the Average Wage Subject to Insurance Contributions for the Determination of the Amount of Unemployment Benefit and Procedures for the Granting, Calculation and Disbursement of Unemployment Benefit and Funeral Benefit**

*Issued pursuant to Section 8, Paragraph three,  
Section 13, Paragraph three and Section 16.<sup>1</sup>  
of the Law On Unemployment Insurance*

**I. General Provision**

1. This Regulation prescribes:

- 1.1. the procedures for the calculation of the average wage subject to insurance contributions for the determination of the amount of unemployment benefit;
- 1.2. the documents certifying the right to unemployment benefit and funeral benefit;
- 1.3. the procedures for the granting, calculation and disbursement of unemployment benefit and funeral benefit; and
- 1.4. the procedures by which a person, on the basis of the relevant court judgment, shall reimburse the amount of the received unemployment benefit to the State social insurance employment special budget, if remuneration is being recovered in his or her favour from the employer for forced absence from work in the relevant period of receipt of the unemployment benefit.

**II. Procedures for the Calculation of the Average Wage Subject to Insurance Contributions for the Determination of the Amount of Unemployment Benefit**

2. The average monthly wage subject to insurance contributions for the determination of the amount of unemployment benefit shall be calculated from the wage subject to insurance contributions for a time period of 12 calendar months, ending this time period two calendar months prior to the month in which the person:

2.1. obtained the status of an unemployed person (in the case specified in Section 5, Paragraph one of the Law On Unemployment Insurance). The following formula shall be used for the calculation:

$$Vd = (A1 + A2 \dots + A6) : D, \text{ where}$$

Vd – the average wage subject to insurance contributions per calendar day;

A1, A2, .. A12 – the sum of the wage subject to insurance contributions obtained in the relevant calendar month of the time period of 12 calendar months specified in Section 8, Paragraph one of the Law On Unemployment Insurance; and

D – the number of calendar days specified in Section 8, Paragraph one of the Law On Unemployment Insurance, excluding the time period during which the person has not been subject to unemployment insurance in accordance with the Law On State Social Insurance; and

2.2. requested unemployment benefit (in the case specified in Section 5, Paragraph two of the Law On Unemployment Insurance). The following formula shall be used for the calculation:

$$Vd = (A1 + A2 \dots + A12) : Dm, \text{ where}$$

Vd – the average wage subject to insurance contributions per calendar day;

A1, A2 .. A12 – the sum of the wage subject to insurance contributions obtained in the relevant calendar month of the time period of 12 calendar months specified in Section 8, Paragraph two of the Law On Unemployment Insurance; and

Dm – the number of calendar days specified in Section 8, Paragraph two of the Law On Unemployment Insurance, excluding the time period during which the person has not been subject to unemployment insurance in accordance with the Law On State Social Insurance; and

2.3. obtained the status of an unemployed person after 1 January 2010 and whose wage subject to insurance contributions, obtained in the time period of 12 calendar months specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance, are of different amounts in the relevant calendar months. The following formula shall be used for the calculation:

, where

Vd – the average wage subject to insurance contributions per calendar day;

A1, A2 .. A10 – the sum of the wage subject to insurance contributions obtained in the relevant calendar month of the time period of 12 calendar months specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance, excluding the two months in the referred to time period in which the person had the lowest and the highest wage subject to insurance contributions,

commencing from the start of the time period of 12 calendar months;

Dd – the number of calendar days specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance, excluding the time period during which the person has not been subject to unemployment insurance in accordance with the Law On State Social Insurance.

*[22 October 2009; Sub-paragraph 2.3 and amendment in relation to substitution of the word “six” with the number “12”, as well as the substitution of the letters and numbers “A6” with “A12” shall come into force on 1 January 2010, see Paragraph 2 of Cabinet Regulation No. 1221]*

3. A person whose object of mandatory State social insurance contributions has reached the maximum amount specified for the relevant calendar year, calculating the average wage subject to insurance contributions per calendar day, shall be applied equalisation of wage contributions for the calendar months of the relevant accounting year, in which the person was socially insured against unemployment, multiplying 1/365 part from the annual maximum amount of the mandatory State social insurance contributions of the relevant calendar year to be included in the calculation with the number of days of the calendar month included for the determination of the average wage subject to insurance contributions, in which the person was not subject to unemployment insurance.

4. *[22 December 2009]*

### **III. Calculation of the Amount of Unemployment Benefit and Funeral Benefit**

5. The amount of monthly unemployment benefit shall be calculated in terms of calendar days and in proportion to the length of insurance:

5.1. for an unemployed person with the length of insurance from one to nine years (including) – by using the following formula:

$$Pb = Vd \times Dn \times 0.5, \text{ where}$$

Pb – the amount of the unemployment benefit;

Vd – the average wage subject to insurance contributions per calendar day; and

Dn – the number of calendar days of unemployment period in a month, which must be paid for in accordance with regulatory enactments;

5.2. for an unemployed person with the length of insurance from 10 to 19 years (including) – by using the following formula:

$$Pb = Vd \times Dn \times 0.55, \text{ where}$$

Pb – the amount of the unemployment benefit;

Vd – the average wage subject to insurance contributions per calendar day; and

Dn – the number of calendar days of unemployment period in a month, which must be paid for in accordance with regulatory enactments;

5.3. for an unemployed person with the length of insurance from 20 to 29 years (including) – by using the following formula:

$$Pb = Vd \times Dn \times 0.6, \text{ where}$$

Pb – the amount of the unemployment benefit;

Vd – the average wage subject to insurance contributions per calendar day; and

Dn – the number of calendar days of unemployment period in a month, which must be paid for in accordance with regulatory enactments;

5.4. for an unemployed person with the length of insurance from 30 years and more – by using the following formula:

$$Pb = Vd \times Dn \times 0.65, \text{ where}$$

Pb – the amount of the unemployment benefit;

Vd – the average wage subject to insurance contributions per calendar day; and

Dn – the number of calendar days of unemployment period in a month, which must be paid for in accordance with regulatory enactments;

5.5. for unemployed persons for whom, prior to the date of obtaining the status of an unemployed person, unemployment insurance contributions have only been made from the State basic budget, as well as for the unemployed persons specified in Section 5, Paragraph three of the Law On Unemployment Insurance – by using the following formula:

, where

Pb – the amount of the unemployment benefit;

Pn – the amount of the State social security benefit which was in effect on the date of requesting the unemployment benefit; and

Dn — the number of calendar days of unemployment period, which must be paid for in accordance with regulatory enactments.

6. The amount of funeral benefit shall be calculated in case of death of an unemployed person or beneficiary of unemployment benefit, by using the following formula:

$$Pa = Pn \times 3, \text{ where}$$

Pa – the amount of the funeral benefit; and

Pn – the amount of the State social security benefit which was in effect on the day of death of the unemployed person.

#### **IV. Granting and Payment of Unemployment Benefit and Funeral Benefit**

7. For the granting of unemployment benefit, an unemployed person shall do as follows in one of the offices of the State Social Insurance Agency (hereinafter – Agency) of his or her choice:

7.1. submit a written submission for the granting of unemployment benefit (the form inserted on the Agency's website ([www.vsaa.lv](http://www.vsaa.lv)) may be used), indicating the following information:

7.1.1. the applicant for the benefit:

7.1.1.1. the given name, surname;

7.1.1.2. the personal identity number;

7.1.1.3. the address of the declared place of residence;

7.1.1.4. the telephone number or electronic mail address;

7.1.1.5. the account number (21 symbols) of the credit institution or postal accounting system;

7.1.2. the given name, surname and personal identity number of a child, if the person, prior to obtaining the status of an unemployed person, was raising a disabled child up to 16 years of age;

7.1.3. information regarding the terms for the determination of disability, if the person has reacquired the capacity to work after disability;

7.1.4. if the applicant for the benefit has been employed in another European Economic Area Member State, the following information shall be indicated:

7.1.4.1. the state of employment and the name and address of the employer;

7.1.4.2. the start date and end date of employment;

7.1.5. a list of the documents appended to the submission and the number of pages;

7.2. present the work record book (work contract book) and other documents certifying the length of social insurance and the insurance contributions performed (statements, employment contracts and documents certifying the implementation thereof), if not all the necessary information regarding the length of insurance of the unemployed person is at the disposal of the Agency.

*[8 June 2010]*

7.<sup>1</sup> The applicant for the benefit shall certify with his or her signature that the information indicated in the submission referred to in Sub-paragraph 7.1 of this Regulation is true.

*[8 June 2010]*

7.<sup>2</sup> The submission referred to in Sub-paragraph 7.1 of this Regulation may also be submitted to the office of the Agency in electronic form in accordance with the regulatory enactments regarding the drawing up of electronic documents or sent by post.

*[8 June 2010]*

8. If unemployment insurance contributions for an unemployed person have not been performed within the last 12 month period prior to obtaining the status of an unemployed person, or if they have been performed for less than nine months and the relevant person belongs to any category of unemployed persons referred to in Section 5, Paragraph three of the Law On Unemployment Insurance, the State Medical Commission for Expert-Examination of Health and Working Ability shall submit information to the State Social Insurance Agency certifying such belonging.

*[22 October 2009; the new revision of the Paragraph shall come into force on 1 January 2010, see Paragraph 2 of Cabinet Regulation No. 1221]*

9. For the granting of funeral benefit in case of death of an unemployed person and the beneficiary of unemployment benefit, a person shall submit a written submission to one of the offices of the Agency of his or her choice for the granting of funeral benefit (the form inserted on the Agency's

website (www.vsaa.lv) may be used), indicating the following information:

9.1. the applicant for the benefit:

9.1.1. the given name, surname;

9.1.2. the personal identity number;

9.1.3. the address of the declared place of residence;

9.1.4. the telephone number or electronic mail address;

9.1.5. the account number (21 symbols) of the credit institution or postal accounting system; and

9.2. the given name, surname, personal identity number and date of death of the deceased unemployed person or the beneficiary of the unemployment benefit.

*[8 June 2010]*

9.<sup>1</sup> The applicant for the benefit shall certify with his or her signature that the information indicated in the submission referred to in Paragraph 9 of this Regulation is true.

*[8 June 2010]*

9.<sup>2</sup> The submission referred to in Paragraph 9 of this Regulation may also be submitted to the office of the Agency in electronic form in accordance with the regulatory enactments regarding the drawing up of electronic documents or sent by post.

*[8 June 2010]*

10. When determining the right to unemployment benefit, the office of the Agency shall check whether the relevant person has the status of an unemployed person, whether the relevant person has been socially insured against unemployment, whether or not the applicant for the unemployment benefit has reached the age for the granting of the State old-age pension specified in the Law On State Pensions, whether or not he or she is disabled – the beneficiary of a special State old-age pension, or whether or not he or she receives service pension or old-age pension on the basis of preferential conditions, or sickness benefit.

*[22 October 2009]*

11. The office of the Agency shall take a decision regarding the granting of unemployment benefit or refusal to grant the benefit within 10 working days after receipt of all the information necessary for the granting of benefit from the State Employment Agency and the State Revenue Service. The office of the Agency shall issue (send) the referred to decision to the unemployed person.

12. In the case referred to in Section 13, Paragraph one, Clause 1 of the Law On Unemployment Insurance, unemployment benefit shall be granted from the date of submitting the request, and shall be disbursed for the unemployment period, during which the applicant for the benefit has not been engaged in an employment relationship, after receipt of a confirmation from the State Employment Agency that the person has the status of an unemployed person, and after receipt of information from the State Revenue Service submitted by the employer that the relevant person has lost the status of employee.

*[22 October 2009]*

13. In the case specified in Section 13, Paragraph one, Clause 2 of the Law On Unemployment Insurance, unemployment benefit shall be granted from the date of submitting the request, but not earlier than two months after the day of obtaining the status of an unemployed person. Unemployment benefit shall be disbursed for the unemployment period in which the applicant for the benefit has not been in an employment relationship. Disbursement of unemployment benefit shall commence after receipt of a confirmation from the State Employment Agency that the person has the status of an unemployed person and after receipt of information from the State Revenue Service submitted by the employer that the relevant person has lost the status of employee.

*[22 October 2009]*

14. Unemployment benefit shall be disbursed in accordance with Sections 9 and 10 of the Law On Unemployment Insurance.

15. Unemployment benefit shall be disbursed for the previous month.

16. Funeral benefit shall be granted and disbursed in accordance with Section 12, Paragraphs two and three of the Law On Unemployment Insurance after all the documents which are required for the granting of the benefit have been submitted.

*[8 June 2010]*

17. The office of the Agency shall take a decision regarding granting of funeral benefit or refusal to grant the benefit within five working days after fulfilment of the conditions referred to in Paragraph 16 of this Regulation.

18. The State Social Insurance Agency shall transfer unemployment benefit and funeral benefit to the credit institution or PAS (postal accounting system) account of the beneficiary of the benefit.

*[19 May 2009; amendment regarding deletion of the second sentence shall come into force on 1 July 2009, see Paragraph 2 of Cabinet Regulation No. 447]*

19. If, when executing the relevant court judgment, remuneration is being recovered in favour of a person from the employer for forced absence from work in the time period of receipt of the relevant unemployment benefit, the person:

19.1. shall notify any office of the State Social Insurance Agency within five working days after disbursement of remuneration for forced absence from work thereof; and

19.2. within five working days after notification of the State Social Insurance Agency regarding reimbursement of the amount of the unemployment benefit received, shall transfer the referred to amount to the account indicated by the State Social Insurance Agency.

20. The State Social Insurance Agency shall organise a file of the beneficiary of unemployment benefit for each beneficiary of the benefit.

## **V. Closing Provisions**

21. Cabinet Regulation No.32 of 25 January 2000, *Procedures for Calculation of Average Wage Subject to Insurance Contributions for Determination of Amount of Unemployment Benefit and Procedures for Granting, Calculation and Payment of Unemployment Benefit and Funeral Allowance* (Latvijas Vēstnesis, 2000, No. 26/28; 2001, No. 27; 2004, No. 156; 2005, No. 99), is repealed.

22. If the wage subject to insurance contributions for the time period until 31 December 2008 is taken into account for the calculation of unemployment benefit in the cases referred to in Sub-paragraphs 2.1 and 2.2 of this Regulation, the average wage subject to insurance contributions per calendar day shall not exceed 1/365 part of the annual maximum amount of the object for mandatory State social insurance contributions in the last calendar year for which this wage subject to contributions has been calculated.

22.<sup>1</sup> For a person who has obtained the status of an unemployed person until 31 December 2009 the average wage subject to insurance contributions for the determination of unemployment benefits shall be calculated from the wage subject to insurance contributions for a time period of six calendar months, ending such period two calendar months prior to the month in which the person has obtained the status of an unemployed person.

*[22 October 2009; the Paragraph shall come into force on 1 January 2010, see Paragraph 2 of Cabinet Regulation No. 1221]*

22.<sup>2</sup> Until 31 December 2009 the average wage subject to insurance contributions for a person who has obtained the status of an unemployed person after 1 November 2009 and whose wage subject to insurance contributions obtained in the time period of six calendar months specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance is of different amounts in the relevant calendar months, shall be calculated, using the following formula:

, where

Vd — the average wage subject to insurance contributions per calendar day;

A1, A2, A3, A4 – the sum of the wage subject to insurance contributions obtained in the relevant calendar month of the time period of six calendar months specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance, excluding the two months in the referred to time period in which the person had the lowest and the highest wage subject to insurance contributions, commencing from the beginning of the six calendar month period; and

Dd – the number of calendar days of the time period specified in Section 8, Paragraph one or two of the Law On Unemployment Insurance, excluding the time period in which the person has not been subject to unemployment insurance in accordance with the Law On State Social Insurance.

*[22 October 2009]*

22.<sup>3</sup> If unemployment benefit has been granted after 1 January 2010 and during the time period between 1 January 2010 and 31 December 2012 the amount of the unemployment benefit specified in accordance with Section 7 of the Law On Unemployment Insurance per calendar day exceeds LVL 11.51, the amount of the benefit for one calendar day shall be calculated, using the following formula:



$P_d = 11,51 + ((P_s - 11.51) \times 50\%)$ , where

$P_d$  – the amount of unemployment benefit per calendar day; and

$P_s$  – the amount of unemployment benefit calculated in accordance with the procedures specified in Paragraph 5 of this Regulation, which in one calendar month exceeds LVL 11.51.

*[22 December 2009]*

23. This Regulation shall come into force on 1 January 2009.

Prime Minister

I. Godmanis

Minister for Welfare

I. Purne