Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

10 June 1998 [shall come into force on 14 July 1998];

25 November 1999 [shall come into force on 1 January 2001];

13 March 2001 (Constitutional Court judgment) [shall come into force on 13 March 2001];

20 June 2001 [shall come into force on 20 July 2001];

27 July 2001 [shall come into force on 17 August 2001];

6 June 2002 [shall come into force on 5 July 2002];

3 April 2003 [shall come into force on 1 May 2003];

22 January 2004 [shall come into force on 25 February 2004];

17 March 2005 [shall come into force on 1 April 2005];

27 October 2005 [shall come into force on 25 November 2005];

15 June 2006[shall come into force on 1 October 2006];

19 December 2006 [shall come into force on 1 January 2007];

26 April 2007 [shall come into force on 30 May 2007];

8 November 2007 [shall come into force on 1 January 2008];

19 June 2008 [shall come into force on 23 July 2008];

11 December 2008 [shall come into force on 1 January 2009];

16 June 2009 [shall come into force on 1 July 2009];

1 December 2009 [shall come into force on 1 January 2010];

3 December 2009 [shall come into force on 1 January 2010];

27 May 2010 [shall come into force on 1 September 2010];

9 August 2010 [shall come into force on 1 September 2010];

20 December 2010 [shall come into force on 1 January 2011];

8 July 2011 [shall come into force on 1 October 2011];

15 December 2011 [shall come into force on 1 January 2012];

20 December 2012 [shall come into force on 10 January 2013];

6 November 2013 [shall come into force on 1 January 2014];

13 March 2014 [shall come into force on 1 June 2014];

17 December 2014 [shall come into force on 1 January 2015];

12 March 2015 [shall come into force on 8 April 2015];

30 November 2015 [shall come into force on 1 January 2016];

22 September 2016 [shall come into force on 25 October 2016];

23 November 2016 [shall come into force on 1 January 2017];

20 December 2016 [shall come into force on 1 January 2017];

27 July 2017 [shall come into force on 1 January 2018];

22 November 2017 [shall come into force on 1 January 2018];

25 October 2018 [shall come into force on 28 November 2018];

3 April 2019 [shall come into force on 13 April 2019];

13 November 2019 [shall come into force on 1 January 2020];

6 February 2020 [shall come into force on 6 March 2020];

10 July 2020 (Constitutional Court judgment) [shall come into force on 14 July 2020];

27 November 2020 [shall come into force on 1 January 2021];

15 June 2021 [shall come into force on 12 July 2021];

16 November 2021 [shall come into force on 1 January 2022];

8 December 2021 [shall come into force on 1 January 2022];

31 March 2022 [shall come into force on 18 April 2022];

1 December 2023 [shall come into force on 9 December 2022];

5 April 2023 [shall come into force on 19 April 2023].

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 State Social Insurance**

**Chapter I General Provisions**

**Section 1. Terms Used in this Law**

The following terms are used in this Law:

1) **employer**– a legal or natural person, a partnership with legal capacity, a taxpayer of other European Union Member State, Swiss Confederation or European Economic Area Member State (hereinafter – the other Member State) or a branch of a merchant (permanent representation) of other Member State, and also a domestic taxpayer – a lessee of personnel leased by a foreign taxpayer who employs an employee or pays for the work of an employee;

2) **employee**:

a) a person who, under the guidance of an employer, performs specific work for an agreed remuneration on the basis of an employment contract;

b) [27 October 2005];

c) a member of the *Saeima*, a local government councillor, a member of the Cabinet, a member of the board or council of a commercial company, proctor, controller, a volunteer probation officer of the State Probation Service, as well as another person holding a position which gives the right to remuneration if the remuneration has been actually determined;

d) a person who has not registered as an economic activity income taxpayer and who has entered into a work-performance contract, a sharecropping contract, or a carriage contract provided for in Part IV, Chapter 15 of the Civil Law or earns income from intellectual property or payment from creation, publication, performance, or other use of authors and performers of scientific, literary, or art works, discoveries, inventions, and industrial samples that is disbursed by the employer other than a collective management organisation (hereinafter – the income from intellectual property). Heirs to copyright and other successors in title of copyright shall not be employees;

e) an official of an institution of the Ministry of the Interior system and Prison Administration with a special service rank, an official of a State security institution or a military person of a unit subordinate to the Ministry of Defence;

f) a State civil servant;

g) an authorised representative of a foreign economic operator who, not being in legal employment relationships with such economic operator, is representing it in activities which are related to the branches of the foreign economic operator;

h) a convicted person who is employed during serving the custodial sentence;

i) [27 November 2020];

j) a person who is employed by a foreign taxpayer in the Republic of Latvia which has a permanent representation in the Republic of Latvia, as well as a person who is leased to a domestic taxpayer by a foreign taxpayer – a lessee of personnel;

k) a person who has entered into the work-performance contract, sharecropping contract or carriage contract provided for in Part Four, Chapter 15 of The Civil Law and in respect of which at least one of the features determined in Section 8, Paragraph 2.2 of the law On Personal Income Tax has been found;

1) [8 December 2021];

m) a member of the board of a capital company if the turnover of the capital company in the current month of the taxation year exceeds the minimum monthly wage stipulated by the Cabinet and multiplied by the coefficient 5, and in the relevant month the capital company does not have any employees or the object of mandatory contributions of all employees is less than the monthly wage stipulated by the Cabinet;

n) a person who within the meaning of the law On Personal Income Tax is employed in seasonal agricultural work and pays the seasonal agricultural worker income tax;

o) a person who after termination of the legal employment relationship has an agreement for the restriction of the occupational activities of the employee (restriction on competition);

p) a person who is driving a taxi or passenger car for the commercial carriage of passengers, except for an individual merchant;

r) a person to whom State aid for the payment of taxes is applied in accordance with the Law on Aid for the Activities of Start-up Companies;

s) a professional athlete;

t) an owner of a farm (fishing undertaking) who is in legal employment relationship with his or her farm (fishing undertaking);

3) **self-employed person** – a person who earns income (or revenue) as:

a) [3 April 2019];

b) [25 November 1999];

c) a person whose permanent place of residence is in the Republic of Latvia and who earns income from intellectual property, except for an heir to copyright and another successor in title of copyright, and who has registered as an economic activity income taxpayer;

d) a sworn notary;

e) a sworn advocate;

f) a sworn auditor;

g) a doctor in practice, a pharmacist in practice, a veterinary practitioner, an optometrist in practice;

h) another natural person whose permanent place of residence is in the Republic of Latvia and who has registered as an economic activity income tax payer;

i) an owner (owners) of a farm (fishing undertaking) who, not being in legal employment relationship with an administrative authority of his or her farm (fishing undertaking), performs the management function of such a farm (fishing undertaking) if, in accordance with the procedures laid down in law, a manager (director) has not been appointed (elected) in such a farm (fishing undertaking);

j) a person whose permanent place of residence is in the Republic of Latvia and whose work is remunerated from foreign technical assistance resources and loans from international financial institutions granted to the Republic of Latvia;

k) a sworn bailiff;

l) an individual economic operator, including an individual economic operator who is driving a taxi or passenger car for the commercial carriage of passengers;

m) a micro-enterprise taxpayer;

4) **a domestic employee at a foreign employer:**

a) a person who is employed by an employer – a foreign tax payer in the territory of the Republic of Latvia if the permanent place of residence of such person is in the Republic of Latvia;

b) a person who is employed by an employer from another Member State and to whom in accordance with Articles 11, 12, 13, 14, 15, and 16 of Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (hereinafter – Regulation), laws and regulations of the Republic of Latvia are applicable;

5) **foreign employee at a foreign employer** – a person who is employed by the employer – a foreign tax payer in the territory of the Republic of Latvia if the permanent place of residence of such person is not in the Republic of Latvia and he or she stays for 183 days or more in the Republic of Latvia in any twelve-month period which begins or ends in a taxation year;

6) [27 November 2020 / See Paragraph 77 of Transitional Provisions]

[*10 June 1998; 25 November 1999; 20 June 2001; 6 June 2002; 3 April 2003; 22 January 2004; 17 March 2005; 27 October 2005; 15 June 2006; 19 June 2008; 11 December 2008; 16 June 2009; 27 May 2010; 9 August 2010; 20 December 2010; 15 December 2011; 6 November 2013; 13 March 2014; 17 December 2014; 22 September 2016; 23 November 2016; 27 July 2017; 22 November 2017; 25 October 2018; 3 April 2019; 27 November 2020; 8 December 2021*]

**Section 2. Purpose of the Law**

This Law prescribes the general principles of State social insurance (hereinafter – the social insurance), as well as governs its financial and organisational structure.

**Section 3. Concept and General Principles of the Social Insurance**

(1) The social insurance is a set of measures organised by the State to insure the risk of a person or dependants thereof to loss of income for work in connection with sickness, disability, maternity, paternity, unemployment, old-age, an accident at work or the contraction of an occupational disease, nursing of a child of the socially insured person, as well as additional expenditures in connection with the death of the socially insured person or dependants thereof. The social insurance is a part of the State social security system.

(2) The guiding principles of the social insurance shall provide for:

1) the solidarity between social insurance contribution payers (hereinafter – the payers) and recipients of social insurance services (hereinafter – the recipients of services);

2) the use of social insurance funds only for social insurance services in accordance with the Law.

(3) Socially insured persons who are subject to health insurance have the right to receive health care services covered from the State budget funds.

[*10 June 1998; 25 November 1999; 8 November 2007; 16 June 2009; 27 July 2017; 3 April 2019*]

**Section 4. Types of the Social Insurance**

Types of the social insurance are as follows:

1) the State pension insurance (hereinafter – the pension insurance);

2) the social insurance in case of unemployment (hereinafter – the unemployment insurance);

3) the social insurance against accidents at work and occupational diseases (hereinafter – the occupational accident insurance);

4) the disability insurance;

5) the maternity, paternity and sickness insurance;

6) the parents’ insurance;

7) the health insurance.

[*8 November 2007; 27 July 2017; 3 April 2019*]

**Chapter II Persons to be Socially Insured**

[*10 June 1998*]

**Section 5. Persons to be Socially Insured**

(1) All employees who have attained 15 years of age and are employed by an employer – a domestic taxpayer, a taxpayer of another Member State, or a branch of an economic operator (permanent representation) of another Member State, persons taking care of a child who has not attained one and a half years of age and receiving an allowance for childcare or a parental benefit, persons receiving an unemployment benefit, persons with disabilities who are not registered as employees or have no mandatory social insurance as self-employed persons, persons receiving a disabled child care benefit, persons receiving a maternity, paternity or sickness benefit, persons receiving an allowance for the care of an adopted child, persons receiving allowance for the fulfilment of the duties of a foster family, persons whose spouse (who has been granted a diplomatic rank in accordance with the Diplomatic and Consular Service Law) performs diplomatic and consular service in a foreign country and who stay in the respective foreign country as the spouse of the person performing diplomatic and consular service, a spouse of a representative of the Republic of Latvia in Eurojust (hereinafter – the Eurojust representative) or a spouse of a liaison officer who stays in the respective foreign country, persons who are located in the respective foreign country in the status of a spouse of a soldier fulfilling service duties, except for cases where the soldier participates in an international operation, military training, manoeuvres or is on a mission, persons who perform national defence service during the time of performance of direct service duties, persons who perform paid temporary community work or participate in the measure “Development of Skills Necessary for Work” organised by the State Employment Agency, and self-employed persons shall be subject to mandatory social insurance.

(2) All domestic employees who have attained 15 years of age and are employed by a foreign employer and foreign employees by a foreign employer shall be subject to mandatory social insurance.

(3) Persons who have attained 15 years of age, whose permanent place of residence is in the Republic of Latvia and who are not subject to mandatory social insurance in the Republic of Latvia, may join the State social insurance voluntarily in accordance with the procedures stipulated by the Cabinet. A person who has not been granted a State old-age pension in accordance with the law On State Pensions may join voluntarily the pension insurance and a spouse of a self-employed person who has not attained the age giving the right to receive the State old-age pension or whom the State old-age pension has not been granted (including early retirement) may join the pension insurance, disability insurance, maternity and sickness insurance, and parents’ insurance voluntarily.

(31) In accordance with the procedures provided for by the Cabinet, persons who pay the income tax of seasonal agricultural workers may join pension insurance voluntarily.

(32) [20 December 2016]

(33) Professional athletes may join the pension insurance voluntarily in accordance with the procedures specified by the Cabinet.

(34) Members of diaspora may join the pension insurance voluntarily in accordance with the procedures specified by the Cabinet.

(4) A person is socially insured for the occupational accident insurance, insurance against unemployment, disability insurance, maternity and sickness insurance and parents’ insurance and health insurance, and mandatory contributions must be made thereby (therefore) from the day when such person has acquired the status referred to in Paragraph one of this Section, except for the status of a self-employed person. A person shall be socially insured for pension insurance if mandatory contributions have been actually made.

(5) A self-employed person and the persons referred to in Paragraphs two and three of this Section are socially insured if social insurance contributions have been actually made.

(6) [27 November 2020]

(7) The employees of a start-up company to whom State aid for tax payments is applied have to be socially insured in accordance with the Law on Aid for the Activities of Start-up Companies.

[*10 June 1998; 25 November 1999; 20 June 2001; 6 June 2002; 22 January 2004; 17 March 2005; 27 October 2005; 26 April 2007; 8 November 2007; 19 June 2008; 9 August 2010; 20 December 2010; 15 December 2011; 13 March 2014; 30 November 2015; 22 September 2016; 23 November 2016; 20 December 2016; 27 July 2017; 22 November 2017; 25 October 2018; 3 April 2019; 6 February 2020; 27 November 2020; 8 December 2021; 5 April 2023*]

**Section 6. Persons Subject to Mandatory Social Insurance According to Their Employment, Age, State of Health and Type of Social Insurance**

(1) Employees shall be socially insurable in conformity with all types of social insurance.

(2) Employees, who have reached the age that gives the right to receive the State old-age pension or to whom the State old-age pension has been granted (including early retirement) shall be subject to pension insurance, maternity and sickness insurance, parents’ insurance, occupational accident insurance and health insurance. Employees to whom a service pension has been granted or who are persons with a disability – recipients of special State pensions – shall be subject to pension insurance, disability insurance, maternity and sickness insurance, parents’ insurance, occupational accident insurance and health insurance.

(21) Employees who are employed during serving the custodial sentence shall be subject to pension insurance, health insurance, disability insurance, and insurance against unemployment, but the persons who have attained the age which gives the right to receive the State old-age pension or whom the State old-age pension has been granted (including early retirement) and who are employed during serving the custodial sentence shall be subject to pension insurance, health insurance.

(22) An employee paying the income tax of a seasonal agricultural worker whose total income from one or several disbursers of seasonal agricultural workers income (employers) exceeds EUR 70.00 per month shall be subject to pension insurance.

(23) A member of the board of a capital company whose status conforms to that of an employee in accordance with the conditions of Section 1, Clause 2, Sub-clause “m” of the Law shall be subject to pension insurance, health insurance, and disability insurance but a member of the board of a capital company whose status conforms to that of an employee in accordance with the conditions of Section 1, Clause 2, Sub-clause “m” of this Law and who has attained the age which gives him or her the right to receive the State old-age pension or who has been granted the State old-age pension (including early retirement) shall be subject to pension insurance, health insurance.

(24) [27 November 2020 / See Paragraph 75 of Transitional Provisions]

(3) Self-employed persons whose income reaches the minimum amount of the object of mandatory contributions stipulated by the Cabinet shall be subject to pension insurance, disability insurance, maternity and sickness insurance, health insurance and parents’ insurance, but self-employed persons who have attained the age which gives the right to receive the State old-age pension or whom the State old-age pension has been granted (including early retirement) shall be subject to pension insurance, maternity and sickness insurance, health insurance, and parents’ insurance. Self-employed persons whose income does not reach the minimum amount of the object of mandatory contributions stipulated by the Cabinet shall be subject to pension insurance.

(31) [22 September 2016]

(32) [27 November 2020]

(4) In addition to the persons referred to in Paragraphs one, two, and three of this Section, the following persons shall be subject to pension insurance:

1) [26 April 2007];

2) persons who take care of a child who has not attained one and a half years of age and receive a childcare benefit;

3) persons who receive an unemployment benefit;

4) persons with disabilities who are not registered as employees or who do not have mandatory social insurance as self-employed persons;

5) persons who receive a maternity, paternity or sickness benefit;

6) persons whose spouse (who has been granted a diplomatic rank in accordance with the Diplomatic and Consular Service Law) performs diplomatic and consular service in foreign countries and who stay in the respective foreign country as the spouse of the person performing diplomatic and consular service;

7) persons who receive a remuneration for the care of an adopted child;

8) persons who are located in the respective foreign country in the status of the spouse of a soldier performing service duties, except where the soldier participates in an international operation, military training, manoeuvres or is on a mission;

9) persons who receive a care of disabled child benefit;

10) persons who take care of a child who has not attained the age of one year or one and a half years, and receive a parental benefit;

11) persons who are performing paid temporary community work;

12) persons who receive a remuneration for the fulfilment of a foster family’s duties;

13) persons who stay in the respective foreign country as the spouse of the Eurojust representative or a liaison officer;

14) persons who participate in the measure “Development of Skills Necessary for Work” organised by the State Employment Agency;

15) persons who perform national defence service during the time of performance of direct service duties.

(5) In addition to the persons referred to in Paragraph one of this Section the following persons shall be subject to unemployment insurance:

1) [26 April 2007];

2) persons who take care of a child who has not attained one and a half years of age and receive a childcare benefit;

3) persons who receive a maternity, paternity or sickness benefit;

4) persons who receive a remuneration for the care of an adopted child;

5) persons who are located in the respective foreign country in the status of the spouse of a soldier performing service duties, except where the soldier participates in an international operation, military training, manoeuvres or is on a mission;

6) persons who take care of a child who has not attained the age of one year or one and a half years, and receive a parental benefit;

7) persons whose spouse (who has been granted a diplomatic rank in accordance with the Diplomatic and Consular Service Law) performs diplomatic and consular service in foreign countries and who stay in the respective foreign country as the spouse of the person performing diplomatic and consular service;

8) persons who receive a remuneration for the fulfilment of a foster family’s duties;

9) persons who stay in the respective foreign country as the spouse of the Eurojust representative or a liaison officer;

10) persons who perform national defence service during the time of performance of direct service duties.

(51) In addition to the persons referred to in Paragraphs one, two and three of this Section the following persons shall be subject to disability insurance:

1) persons who receive maternity or paternity benefit;

2) persons who take care of a child who has not attained the age of one year or one and a half years, and receive a parental benefit;

3) persons who take care of a child who has not attained one and a half years of age and receive a childcare benefit;

4) persons who receive a remuneration for the care of an adopted child;

5) persons who receive a remuneration for the fulfilment of a foster family’s duties;

6) persons who perform national defence service during the time of performance of direct service duties.

(52) In addition to the persons referred to in Paragraphs one, two, and three of this Section:

1) employees and self-employed persons who receive a furlough allowance, a furlough assistance allowance, aid for furlough, continuation of the parental benefit or sickness aid benefit shall be socially insured during the period of allowance or benefit according to those types of insurance for which they have been socially insured as employees or self-employed persons;

2) the persons who receive an unemployment assistance benefit and an allowance for a young specialist shall be subject to pension insurance.

(53) Mandatory contributions for the persons referred to in Paragraph 5.2 of this Section are not made, but the relevant time periods are equalled to an insurance period:

1) for the persons referred to in Paragraph 5.2, Clause 1 of this Section, determining for them the right to social insurance benefits, insurance compensation, and State pension, and also they are taken into account in calculating the length of a State pension and unemployment benefit insurance;

2) for the persons referred to in Paragraph 5.2, Clause 2 of this Section, determining for them the right to the old-age pension and the survivor’s pension and calculating the length of insurance of such pensions.

(54) In addition to the persons referred to in Paragraphs one, two, and three of this Section, the persons who perform national defence service during the time of performance of direct service duties shall be subject to maternity, paternity and sickness insurance, and parents’ insurance.

(6) Foreign employees at a foreign employer shall be subject to pension insurance, disability insurance, health insurance, maternity and sickness insurance, and parents’ insurance.

(7) Owners of farms (fishing undertakings) who, not being in legal employment relationships with an administrative authority of their farm (fishing undertaking), perform the management function of such a farm (fishing undertaking) if in accordance with the procedures provided for in the law a manager (director) has not been appointed (elected) for such a farm (fishing undertaking) and who have attained the age which gives them the right to receive the State old-age pension, or whom the State old-age pension has been granted (including early retirement) or who are persons with Group I or II disabilities shall not be subject to mandatory social insurance.

(8) Domestic employees at a foreign employer shall be subject to pension insurance, unemployment insurance, disability insurance, health insurance, maternity and sickness insurance, parents’ insurance, and occupational accident insurance.

(9) Domestic employees at a foreign employer who have attained the age which gives the right to receive the State old-age pension or to whom the State old-age pension has been granted (including early retirement) shall be subject to pension insurance, health insurance, maternity and sickness insurance, parents’ insurance, and occupational accident insurance. Domestic employees of a foreign employer who are recipients of a service pension or persons with disabilities – recipients of State special pensions – shall be subject to pension insurance, health insurance, disability insurance, maternity and sickness insurance, parents’ insurance, and occupational accident insurance.

(10) Foreign employees at a foreign employer who have been sent to perform particular work in the territory of the Republic of Latvia for a time period not exceeding 12 months shall not be persons subject to social insurance if they submit to the State Revenue Service a document attesting to the making of mandatory contributions in the sending country. The document shall be submitted upon registration in the Taxpayer Register of the State Revenue Service.

(11) A natural person who performs the management function of his or her immovable property or acquires income from a private subsidiary farm or a backyard farm and has registered as an economic income tax payer and has attained the age which gives him or her the right to receive the State old-age pension, or whom the State old-age pension has been granted (including early retirement), or who is a person with Group I or II disability or whose permanent place of residence is not in the Republic of Latvia shall not be subject to mandatory social insurance.

(12) A natural person who performs the management of his or her immovable property and has registered as an economic activity income tax payer shall be subject to pension insurance, health insurance, and disability insurance.

(13) A natural person whose permanent place of residence is in the Republic of Latvia and who earns income from intellectual property and has attained the age which gives him or her the right to receive the State old-age pension or to whom the State old-age pension has been granted (including early retirement), or who is a person with Group I or II disability shall not be subject to mandatory social insurance.

(14) [27 July 2017]

(15) A person who, upon acquiring the same income, conforms to several statuses of a person subject to social insurance concurrently shall be subject to social insurance as an employee or a domestic employee at a foreign employer.

(16) A foreign employee at a foreign employer who, upon acquiring the same income, conforms to several statuses of the person subject to social insurance concurrently shall be subject to social insurance as a foreign employee at a foreign employer.

(17) An employer of another Member State may agree with a person to whom the laws and regulations of the Republic of Latvia are applied in accordance with Articles 11, 12, 13, 14, 15, and 16 of the Regulation as to the status of the person in which he or she will make mandatory contributions: in the status of an employee or in the status of a domestic employee of a foreign employer. The employer shall inform the State Revenue Service of such an agreement.

(18) [27 November 2020]

(19) [20 December 2016]

(20) A person who after termination of the legal employment relationships has an agreement for the restriction of the occupational activity of the employee (restriction on competition) shall be subject to social insurance for the whole period when the agreement is in effect in accordance with Paragraph one or two of this Section.

(21) A foreigner to whom the Regulation or an intergovernmental agreement on social security does not apply and who is employed within the framework of a project funded by the European Commission shall not be subject to mandatory social insurance within the framework of the abovementioned project.

[*10 June 1998; 25 November 1999; 20 June 2001; 6 June 2002; 22 January 2004; 17 March 2005; 27 October 2005; 26 April 2007; 8 November 2007; 19 June 2008; 3 December 2009; 27 May 2010; 9 August 2010; 20 December 2010; 15 December 2011; 13 March 2014; 12 March 2015; 30 November 2015; 22 September 2016; 23 November 2016; 20 December 2016; 27 July 2017; 22 November 2017; 25 October 2018; 6 February 2020; 27 November 2020; 15 June 2021; 8 December 2021; 5 April 2023*]

**Chapter III Social Insurance Funds and Procedures for Their Use**

**Section 7. Social Insurance Special Budgets**

(1) Social insurance contributions (hereinafter – the contributions) are made and social insurance services are financed from the following special budgets:

1) State pension special budget;

2) employment special budget;

3) special budget for occupational accidents;

4) disability, maternity and sickness special budget.

(2) Special budgets are administered in accordance with the law On Budget and Financial Management.

(3) A reserve may be established for each special budget in which reserve the excess income of a special budget over the amount of financing for the provided social insurance services is included.

(4) Each reserve of a special budget may be used in accordance with law.

[*22 January 2004*]

**Section 8. State Pension Special Budget**

(1) The State pension special budget shall consist of:

1) mandatory and voluntary contributions for pension insurance, except for payments made in the State funded pension scheme;

2) dividends from capital shares transferred to the State pension special budget and revenue from the sale thereof;

21) a share of solidarity tax;

3) other revenue.

(2) Social insurance services may be financed and expenses of a manager of such budget related to the administration of the budget may be covered from the State pension special budget only in accordance with the law On State Pensions, except for disability pension.

[*20 June 2001; 3 April 2003; 27 November 2020*]

**Section 9. Employment Special Budget**

(1) Funds of the employment special budget shall consist of mandatory contributions for insurance against unemployment and other revenues.

(2) Social insurance services may be financed and expenses of a manager of such budget related to the administration of the budget may be covered from the employment special budget only in accordance with the law On Insurance in Case of Unemployment.

[*6 June 2002*]

**Section 10. Special Budget for Occupational Accidents**

(1) Funds of the occupation accident special budget shall consist of mandatory contributions for occupational accident insurance and other revenues.

(2) Social insurance services may be financed and expenses of a manager of such budget related to the administration of the budget may be covered from the special budget for occupational accidents only in accordance with the law On Mandatory Social Insurance in Respect of Accidents at Work and Occupational Diseases.

**Section 11. Disability, Maternity and Sickness Special Budget**

(1) Funds of the disability, maternity and sickness special budget shall consist of mandatory contributions for disability insurance, maternity and sickness insurance, and parents’ insurance and other revenues.

(2) Social insurance services may be financed only in accordance with the law On Maternity and Sickness Insurance, as well as disability pensions and the expenses of a manager of such budget related to the administration of the budget may be covered from the disability, maternity and sickness special budget.

[*3 April 2003; 8 November 2007*]

**Chapter III.¹ Financial Means for Health Care Services**

[*27 July 2017* / *Chapter shall come into force on 1 January 2018. See Paragraph 65 of Transitional Provisions*]

**Section 11.1 Financial Means for Financing Health Care Services**

A part of mandatory contributions which corresponds to one percentage point of the rate of mandatory contributions is intended for financing of health care services.

[*27 July 2017* / *Section shall come into force on 1 January 2018. See Paragraph 65 of Transitional Provisions*]

**Section 11.2 Transfer and Use of the Financial Means Intended for Financing Health Care Services**

(1) Financial means intended for financing health care services are transferred into the State basic budget revenues in accordance with the provisions laid down in Section 22 of the Law.

(2) The use of financial means intended for financing health care services and the rights of socially insured persons to receive health care services are prescribed by the Health Care Financing Law.

[*27 July 2017* / *Section shall come into force on 1 January 2018. See Paragraph 65 of Transitional Provisions*]

**Chapter IV Insurance Contributions, Object of Insurance Contributions, Administration of Mandatory Contributions, Insurance Contribution Rates**

**Section 12. Insurance Contributions**

(1) A mandatory insurance contribution is a mandatory payment specified in law into the account of a special budget which gives the right to a socially insured person to receive social insurance services specified in law.

(2) A voluntary insurance contribution is a voluntary payment which is made by the persons referred to in Section 5, Paragraph three of this Law into the State pension special budget and to the disability, maternity and sickness special budget, and which gives the right to such persons to receive the State old-age pension, disability pension, maternity, sickness and parenting benefit in conformity with the amount of contributions made.

[*25 November 1999; 20 June 2001; 8 November 2007*]

**Section 13. Registration of Persons and Employers Subject to Social Insurance**

(1) Employers and self-employed persons shall be registered with the Taxpayer Register of the State Revenue Service in accordance with the procedures stipulated by the Cabinet.

(2) Each employee who has acquired, changed or lost the status of an employee specified in Section 1, Clause 2 of this Law shall be registered by the employer with the State Revenue Service. Information regarding employees shall be provided by the employer within the term and in accordance with the procedures stipulated by the Cabinet.

(21) The disburser of a seasonal agricultural workers income (employer) shall register each seasonal agricultural worker – income tax payer within the term and in accordance with the procedures laid down by the Cabinet submitting information about the employees to the State Revenue Service.

(3) Persons who joined pension insurance, disability insurance, maternity and sickness insurance, and parents’ insurance voluntarily shall be registered with the State Social Insurance Agency in accordance with the procedures stipulated by the Cabinet.

(4) Domestic employees of a foreign employer and foreign employees of a foreign employer shall be registered in the Taxpayer Register of the State Revenue Service in accordance with the procedures stipulated by the Cabinet within 10 days from the day of acquiring the status.

(5) The State Revenue Service has the right to register losing the status of a socially insured person (employee). The procedures by which the State Revenue Service shall register losing the status of a socially insured person (employee) shall be determined by the Cabinet.

(6) The employee shall be registered as a socially insured person from the date indicated by the employer but not earlier than 60 days before the date on which the employer submitted information regarding the status of the employee. The Cabinet shall determine the cases in which an employee is registered as a socially insured person from the date indicated by the employer.

(61) The maximum time limit specified in Paragraph six of this Section for the submission of the employeeʼs information shall not be applicable to an employee who correspond to Section 1, Clause 2, Sub-clause “m” of this Law, or in the case where the mandatory contributions are transferred in accordance with Section 21.3 of this Law.

(7) The dates of acquiring and losing the status of an employee shall not be adjusted or updated.

[*25 November 1999; 17 March 2005; 8 November 2007; 19 June 2008; 20 December 2012; 13 March 2014; 22 September 2016; 23 November 2016; 27 November 2020*]

**Section 14. Object of Mandatory Contributions**

(1) The object of mandatory contributions of an employer and employee shall be all calculated income for work from which personal income tax must be deducted without deduction of the non-taxable minimum, tax concessions and eligible expenses for which the taxpayer has the right to reduce the taxable income.

(2) The object of mandatory contributions of a self-employed person shall be freely selected income from economic activity in accordance with the law On Personal Income Tax without applying the restriction of expenditure for economic activity. The Cabinet shall determine the minimum amount of the object of mandatory contributions and the procedures for determination thereof.

(21) The State aid to agriculture or the European Union aid to agriculture and rural development and a non-recurring grant to unemployed persons for the implementation of a business plan shall not be included in the object of mandatory contributions of a self-employed person.

(3) The object of such mandatory contributions to be made from the State basic budget and special budgets shall be determined by the Cabinet.

(4) The object of mandatory contributions of a domestic employee at a foreign employer and a foreign employee at a foreign employer shall be the remuneration received.

(5) From 1 January 2019, the maximum amount of the object of mandatory contributions and voluntary insurance contributions is calculated and specified for three years, taking into account the maximum amount of the object of contributions in the previous period, the increase or decrease of the average gross monthly work remuneration forecasted by the Ministry of Finance for the subsequent three calendar years, and the actual average increase or decrease of the average gross monthly work remuneration of persons employed in the national economy in the previous calculation period. The maximum amount of mandatory contributions and voluntary contributions per year is EUR 78 100. The Cabinet shall determine the procedures for specifying the maximum amount of the object of mandatory contributions.

(6) The Cabinet shall determine the minimum amount of the object of voluntary insurance contributions and the procedures for specifying the maximum amount thereof.

(7) The object of mandatory contributions specified in Paragraph one of this Sections shall not include the contributions made in favour of an employee by an employer in private pension funds in conformity with licensed pension plans, paid amounts of life assurance (with accumulation of funds) premiums and paid amounts of life, health or accident insurance premiums (without accumulation of funds) in accordance with the provisions of the law On Personal Income Tax.

(8) Payments of mandatory insurance premiums of an employer in the cases specified in laws and regulations when an insurance contract was entered into in favour of an employee shall not be the object of mandatory contributions.

(9) [27 October 2005]

(10) The object of mandatory contributions for a person who has entered into a work-performance contract, a sharecropping contract, or a carriage contract provided for in Part IV, Section 15 of the Civil Law or earns income from intellectual property and has not registered as an economic activity income taxpayer shall be the reimbursement determined in the contract.

(11) The object of mandatory contributions for an authorised representative of a foreign merchant who not being in legal employment relationship with such merchant represents such activities which are related to the branches of the foreign merchant shall be the remuneration calculated thereto.

(12) The object of mandatory contributions of a member of the *Saeima*, a local government councillor, a member of the Cabinet, a member of the board of directors, council of a commercial company, head clerk, controller, a volunteer probation officer of the State Probation Service, as well as other persons holding a position which gives the right to remuneration, shall be the remuneration specified.

(121) The object of mandatory contributions for a member of the board of directors of a capital company who conforms to the status of an employee in accordance with the conditions of Section 1, Clause 2, Sub-clause “m” of this Law shall be not less than the minimum monthly wage stipulated by the Cabinet.

(122) The condition of Paragraph 12.1 of this Section is not applied to a member of the board of directors of a capital company who complies with the status of an employee in accordance with the conditions of Section 1, Clause 2, Sub-clause “m” of this Law and who has been specified remuneration as the member of the board of directors which is not less than the amount of five minimum monthly wages stipulated by the Cabinet in a capital company which is the participant of one group of undertakings within the meaning of the law On Personal Income Tax.

(123) Paragraph 12.1 of this Section shall not be applied in the calendar year in which the capital company is registered in the Enterprise Register.

(13) The maximum amount of the object of mandatory contributions specified in Paragraph five of this Section shall not be applied for a person to whom Regulation (EEC, EURATOM, ECSC) No 259/68 of the Council of 29 February 1968 laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities (Staff Regulations of Officials), if the pension capital accumulated in the European Union pension scheme is transferred to the State pension system of Latvia.

(14) [27 November 2020]

(15) [27 November 2020]

(16) The State Social Insurance Agency shall calculate the object of mandatory insurance contributions of employees paying the income tax of seasonal agricultural workers in proportion to the payments into the special budget account by applying an appropriate mandatory contribution rate to an employee’s actual income.

(17) For a person whose payment has been fixed in accordance with the Law on Aid for the Activities of Start-up Companies, the contribution object shall be the fixed payment object specified in the Law.

(18) In addition to the freely selected object of mandatory contributions specified in Paragraph two of this Section, the object of mandatory contributions of a self-employed person shall be the difference between the actual income and the relevant freely selected contribution objects.

(19) The object of mandatory contributions for employees who earn income from intellectual property and have not registered their economic activity shall be the income from intellectual property. The income from intellectual property administered by a collective management organisation and disbursed to persons shall not constitute the object of mandatory contributions.

(20) The object of mandatory contributions for a professional athlete shall be EUR 860. The object of mandatory contributions shall be determined in proportion to the period during which the professional athlete has the status of an employee and also shall not be applied for those calendar days of the taxation year on which the professional athlete is on a child care leave, on which he (child’s father) has been granted a leave in relation to the childbirth, on which he or she is on a leave without retaining work remuneration that has been granted to a professional athlete to whom a child to be cared for is given under the care and supervision according to a decision of the Orphan’s and Custody Court before approval of adoption, or for calendar days of temporary incapacity for work, prenatal and maternity leave for which sick-leave certificate B is issued.

(21) If the object of mandatory contributions calculated for a professional athlete is lower than specified in Paragraph twenty of this Section, mandatory contributions from the difference between the object of mandatory contributions specified in Paragraph twenty of this Section and the object of mandatory contributions calculated in conformity with Paragraph one of this Section shall be calculated and settled from own funds by the employer. The employer shall calculate the difference of mandatory contributions in conformity with the provisions specified in Section 20, Paragraphs one, two, three, and four of this Law. The calculated difference shall be paid by the employer from own funds within the time period specified in Section 21, Paragraph one of this Law.

(22) [27 November 2020 / See Paragraph 77 of Transitional Provisions]

(23) For a micro-enterprise taxpayer, the State Social Insurance Agency shall calculate the object of mandatory contributions in conformity with the payment of the State social contributions into a special budget account, applying the mandatory contribution rate specified for a self-employed person.

[*10 June 1998; 25 November 1999; 20 June 2001; 6 June 2002; 3 April 2003; 22 January 2004; 17 March 2005; 27 October 2005; 19 December 2006; 19 June 2008; 11 December 2008; 1 December 2009; 3 December 2009; 9 August 2010; 20 December 2010; 6 November 2013; 13 March 2014; 17 December 2014; 22 September 2016; 23 November 2016; 27 July 2017; 22 November 2017; 25 October 2018; 13 November 2019; 27 November 2020; 16 November 2021; 8 December 2021*]

**Section 14.1 Mandatory Contributions for Pension Insurance for Self-employed Persons**

(1) Self-employed persons whose monthly income does not reach the minimum monthly wage determined by the Cabinet shall, once a quarter, make mandatory contributions to pension insurance in the amount of 10 per cent of the income.

(2) Self-employed persons whose monthly income reaches or exceeds the minimum monthly wage determined by the Cabinet shall, in addition to the object of mandatory contributions specified in Section 14, Paragraph two of this Law which is not smaller than the minimum monthly wage determined by the Cabinet, once a quarter, make mandatory contributions to pension insurance in the amount of 10 per cent from the difference of the freely selected object of mandatory contributions and the actual income.

(3) Self-employed persons shall calculate mandatory contributions from the agricultural production income or income from intellectual property in the amount of 10 per cent for pension insurance for a year from the difference of the annual total amount of freely selected objects of mandatory contributions and the annual actual income.

(4) The Rural Support Service shall, by 1 December, provide information to the State Social Insurance Agency regarding the natural persons, farms (fishing undertakings), individual merchants, and individual undertakings included in the database of recipients of payments of the Rural Support Service who have received the State and European Union aid for agricultural and rural development in the current year.

(5) The State Social Insurance Agency shall, according to the mandatory contributions to pension insurance actually made by a self-employed person, register the object of mandatory contributions for pension insurance and pension capital of the person by applying the mandatory contribution rate for pension insurance in accordance with Section 18, Paragraph two of this Law.

(6) The mandatory contributions for pension insurance specified in Paragraphs one and three of this Section and Section 20.4, Paragraph 3.1 shall not constitute the funded pension capital of a person.

[*8 December 2021*]

**Section 15. Administration of Mandatory Contributions**

Mandatory contributions shall be administered in accordance with the procedures laid down in laws and regulations.

**Section 16. Late Charges**

(1) [19 December 2006]

(2) Late charges shall be recovered for the missed time period for making mandatory contributions from the amount of mandatory contributions unpaid (principle debt) for each late payment day in accordance with the law On Taxes and Fees.

(3) The late charges shall be paid or recovered from the financial resources of an employer, a self-employed person, a domestic employee at a foreign employer and a foreign employee at a foreign employer.

[*10 June 1998; 25 November 1999; 22 January 2004; 19 December 2006; 27 July 2017; 8 December 2021*]

**Section 16.1 Responsibility of Payers for Other Violations of the Law**

(1) If an employer has employed or employs a person without entering into an employment, work-performance, sharecropping contract or a carriage contract, and the employer has calculated or paid out or he or she had to calculate and pay out to the employee income, from which mandatory contributions were to be calculated, but this income has not been indicated in the accounting record and in the report submitted to the State Revenue Service on State social insurance mandatory contributions from the income for work of the employees, personal income tax and State fee of business risk in the accounting month and mandatory contributions have not been calculated from it, the State Revenue Service shall recover from the employer the mandatory contributions from the amount which corresponds to the information at the disposal of the State Revenue Service regarding reimbursement to be calculated for the person, if it is possible to determine the amount thereof and if it is larger than the amount of the minimum wage determined by the Cabinet, or from the amount of the minimum wage stipulated by the Cabinet if the reimbursement to be calculated is equal to or lower than that or if it is not possible to determine the actual reimbursement, and a fine in the amount of three times the mandatory contributions. If it is not possible to specify a time period in which an employer has employed a person without entering into an employment, work-performance, sharecropping contract or a carriage contract, it shall be considered that a person has been employed for three months already, including the month in which such violation has been disclosed, unless the employer or employee may prove a shorter duration of existence of legal employment relationship.

(11) If an employer has employed or employs a person by entering into an employment, work-performance, sharecropping contract or a carriage contract, but the income calculated or paid out to the employee or the income which had to be calculated and disbursed and from which mandatory contributions were to be calculated, has not been indicated in the accounting record and in the report submitted to the State Revenue Service regarding State social insurance mandatory contributions from the income for work of the employees, personal income tax and State fee of business risk in the accounting month and mandatory contributions have not been calculated from it, the State Revenue Service shall recover from the employer the difference between the amount of mandatory contributions that shall be calculated in accordance with the information at the disposal of the State Revenue Service and the amount of mandatory contributions calculated by the employer, as well as a fine in the amount of three times the mandatory contributions.

(2) [15 December 2011]

(3) If it has been determined that an employer has employed a person without entering into an employment, work-performance, sharecropping contract or a carriage contract, but the State Revenue Service is not able to identify the employed person, mandatory contributions and fine shall be recovered in accordance with the procedures laid down in Paragraph one of this Section without personification thereof.

(4) [27 October 2005]

(5) If an employer has calculated mandatory contributions of persons referred to in Section 1, Paragraph 2, Sub-paragraph “a” of this Law from a wage which is lower than the minimum wage stipulated by the Cabinet and a supporting document does not exist certifying it, the tax authority shall recover from the employer the mandatory contributions and a fine in the amount of three times the mandatory contributions from the amount corresponding to the amount of the minimum wage stipulated by the Cabinet.

(51) The State Revenue Service, when performing tax inspection (audit), has the right to clarify the income for work of the employee calculated by the employer and determine it on the basis of calculation that is performed in accordance with the information at the disposal of the State Revenue Service, if both of the following conditions exist:

1) the information regarding income of the employer from which it was possible to perform larger remuneration to the employees than it was determined in the accounting record is at the disposal of the State Revenue Service;

2) the employer fails to ensure evidence for the calculation of substantiation for the abovementioned income for work.

(52) If the income for work of the employee to be calculated by the employer is determined on the basis of the calculation in accordance with Paragraph 5.1 of this Section, the State Revenue Service shall recover from the employer the difference of mandatory contributions between the amount of mandatory contributions that is determined on the basis of calculation that is performed in accordance with the information at the disposal of the State Revenue Service and the amount of mandatory contributions calculated by the employer, as well as a fine in the amount of three times the mandatory contributions.

(6) [19 December 2006]

[*25 November 1999; 20 June 2001; 6 June 2002; 22 January 2004; 17 March 2005; 27 October 2005; 19 December 2006; 19 June 2008; 11 December 2008; 20 December 2010; 15 December 2011*]

**Section 17. Procedures for Utilisation of Fines and Late Charges**

The fine calculated as a result of the checks performed by the State Revenue Service and the late payment charge shall be paid into the single tax account and the allocation thereof between budgets and the transfer into special budgets shall be ensured in accordance with Section 22 of this Law.

[*25 November 1999; 19 December 2006; 25 October 2018* / *Amendment to the Section regarding the transfer of contributions into the single tax account shall come into force on 1 January 2021. See Paragraph 68 of Transitional Provisions*]

**Section 18. Rates of Mandatory and Voluntary Contributions**

(1) If an employee has been insured for all types of social insurance, the mandatory contribution rate shall be 34.09 per cent from which an employer shall pay 23.59 per cent and an employee shall pay 10.50 per cent.

(2) The Cabinet shall determine the mandatory contribution rate for persons subject to mandatory social insurance and the distribution thereof according to the types of social insurance.

(3) The voluntary contribution rate shall be the rate stipulated by the Cabinet for pension insurance, disability insurance, maternity and sickness insurance, and parents’ insurance.

[*25 November 1999; 6 June 2002; 17 March 2005; 8 November 2007; 20 December 2010; 6 November 2013; 22 September 2016; 27 July 2017; 27 November 2020*]

**Section 19. Mandatory Contributions from State Basic Budget and Special Budgets**

(1) In accordance with the procedures stipulated by the Cabinet:

1) mandatory contributions for pension insurance for the persons referred to in Section 6, Paragraph four, Clauses 2, 6, 7, 8, 9, 11, 12, 13, 14, and 15 of this Law shall be made from the State basic budget;

2) mandatory contributions for unemployment insurance for the persons referred to in Section 6, Paragraph five, Clauses 2, 4, 5, 7, 8, 9, and 10 of this Law shall be made from the State basic budget;

21) mandatory contributions for maternity, paternity and sickness insurance, and parents’ insurance for the persons referred to in Section 6, Paragraph 5.4 of this Law shall be made from the State basic budget;

3) mandatory contributions for pension insurance for the persons referred to in Section 6, Paragraph four, Clause 3 of this Law shall be made from the employment special budget;

4) mandatory contributions for pension insurance for the persons referred to in Section 6, Paragraph four, Clauses 4, 5, and 10 of this Law and for unemployment insurance for the persons referred to in Section 6, Paragraph five, Clauses 3 and 6 of this Law shall be made from the disability, maternity and sickness special budget;

5) mandatory contributions for pension insurance for the persons referred to in Section 6, Paragraph four, Clauses 4 and 5 of this Law and for unemployment insurance for the persons referred to in Section 6, Paragraph five, Clause 3 of this Law shall be made from the special budget for occupational accidents if the cause of the disability or sickness of such persons is an accident at work or an occupational disease;

6) mandatory contributions for disability insurance for persons referred to in Section 6, Paragraph 5.1, Clauses 1 and 2 of this Law shall be made from the special budget for disability, maternity and sickness;

7) mandatory contributions for the persons referred to in Section 6, Paragraph 5.1, Clauses 3, 4, 5, and 6 of this Law shall be made from the State basic budget.

(2) Mandatory contributions from the State basic budget or special budgets are not paid for the days of reporting month for which mandatory payments have been calculated or paid for a person as an employee, a domestic employee at a foreign employer, a foreign employee at an employer foreigner, or as self-employed. Mandatory contributions from the State basic budget or special budgets for pension insurance are not made for those reporting months for which mandatory contributions for pension insurance are made in accordance with Chapter V.1 of this Law.

(3) The State Social Insurance Agency shall cancel registered mandatory contributions of a person from the State basic budget and the special budgets for the periods of time in which there is information regarding the respective person being insured or employed in another Member State or a country with which Latvia has a social security agreement. After cancelling the mandatory contributions, the State Social Security Agency shall, within a month, review the State pension granted to the respective person. The State pension shall be re-calculated starting with the first date of the month following the month in which the contributions have been cancelled.

(4) Mandatory contributions from the special budgets of social insurance and the State basic budget shall not be invested in funded pension scheme.

(5) [*Paragraph shall come into force on 1 January 2025 and shall be included in the wording of the Law as of 1 January 2025. See Paragraph 97 of Transitional Provisions*]

[*10 June 1998; 25 November 1999; 22 January 2004; 27 October 2005; 26 April 2007; 8 November 2007; 19 June 2008; 11 December 2008; 1 December 2009; 15 December 2011; 12 March 2015; 22 September 2016; 23 November 2016; 22 November 2017; 25 October 2018; 3 April 2019; 8 December 2021; 5 April 2023*]

**Chapter V Calculation of Mandatory Contributions**

**Section 20. Determination of Amount of Mandatory Contributions**

(1) An employer shall calculate a mandatory contribution to be made for each employee multiplying the object of contributions by the mandatory contribution rate specified for the employer, if the employee is insured in all types of social insurance.

(2) An employer shall calculate the mandatory contribution to be made by an employee multiplying the object of contributions by the mandatory contribution rate specified for the employee if the employee is insured in all types of social insurance.

(3) An employer shall calculate a mandatory contribution to be made for each employee who:

1) has attained the age which gives the right to receive the State old-age pension or to whom the State old-age pension has been granted (including early retirement) by multiplying the object of contributions by the mandatory contribution rate which has been specified for the employer for pension insurance, maternity and sickness insurance, parents’ insurance, and occupational accident insurance;

2) is a recipient of a service pension or a person with disability – a recipient of a State special pension – by multiplying the object of contributions by the mandatory contribution rate which has been specified for the employer for pension insurance, disability insurance, maternity and sickness insurance, parents’ insurance, and occupational accident insurance.

(4) The employer shall calculate a mandatory contribution to be made by an employee who:

1) has attained the age which gives the right to receive the State old-age pension or to whom the State old-age pension has been granted (including early retirement) by multiplying the object of contributions by the mandatory contribution rate which has been specified for the employee for pension insurance, parents’ insurance, and maternity and sickness insurance;

2) is a recipient of a service pension or a person with disability – a recipient of a State special pension – by multiplying the object of contributions by the mandatory contribution rate which has been specified for the employee for pension insurance, disability insurance, parents’ insurance, and maternity and sickness insurance.

(5) A foreign employee at a foreign employer shall calculate a mandatory contribution multiplying the object of mandatory contributions by the mandatory contribution ratel specified in Section 18 of this Law, except for the rate specified for occupational accident insurance and unemployment insurance, starting with the 184th day since he or she has been residing in the Republic of Latvia, or with the 367th day of residence if the duration of work exceeds 12 months for the person who has been sent to perform particular work in the territory of the Republic of Latvia for a time period not longer than 12 months.

(6) A self-employed person shall calculate the mandatory contribution by multiplying the object of contributions by the mandatory contribution rate specified for self-employed persons.

(7) A domestic employee at a foreign employer shall:

1) calculate a mandatory contribution multiplying the object of mandatory contributions by the mandatory contribution rate specified in Section 18 of this Law;

2) if such employee has attained the age which gives the right to receive the State old-age pension or whom the State old-age pension has been granted (including early retirement), calculate a mandatory contribution multiplying the object of mandatory contributions by the mandatory contribution rate specified in Section 18 of this Law, except for the rate specified for unemployment insurance and disability insurance;

3) if this employee is a recipient of a service pension or a person with disability – recipient of a State special pension, the mandatory contribution shall be calculated by multiplying the object of mandatory contributions by the mandatory contribution rate specified in Section 18 of this Law, except for the rate specified for unemployment insurance.

(8) On the next day after the day when the restriction laid down in Section 11.12, Paragraph two, Clauses 1 and 2 of the Law On Personal Income Tax has been reached, the disburser of a seasonal agricultural workers income (employer) shall register each seasonal agricultural worker’s – income tax payer’s change of status by submitting information on the employees to the State Revenue Service in accordance with the procedures and within the time period provided for by the Cabinet and shall start to pay mandatory contributions from the income acquired in seasonal agricultural work in accordance with the general procedures laid down in this Law.

[*10 June 1998; 25 November 1999; 20 June 2001; 6 June 2002; 22 January 2004; 17 March 2005; 8 November 2007; 19 June 2008; 11 December 2008; 3 December 2009; 15 December 2011; 13 March 2014; 22 September 2016; 27 November 2020; 8 December 2021*]

**Section 20.1 Updating of the Amount of Income from Work and Mandatory Contributions**

(1) The employer shall update the income for work and mandatory contributions of the employee for the previous month before the accounting month.

(11) [20 December 2016]

(2) If the employer has not updated the income for work and mandatory contributions of the employee for the previous month before the reporting month, the employer has the right to update them within three years after the monthly report submission deadline specified in law. The income for work and mandatory contributions of the employee may not reduce as a result of updating. Updating of the income for work and mandatory contributions of the employee shall not change the amount of social insurance services already granted, except for the amount of the State old-age pension (including the amount of the State pension granted in case of early retirement).

(21) [20 December 2016]

(3) In addition to that laid down in Paragraphs one and two of this Section the Cabinet shall determine the cases when the State Revenue Service, the employer, and the administrator of insolvency proceedings shall update the income for work and mandatory contributions of the employee for the previous reporting months. The amount of the social insurance service already granted after updating the income for work and mandatory contributions of the employee shall be changed on the basis of a submission of the person.

(4) The procedures by which the employer, the State Revenue Service, and the administrator of insolvency proceedings shall update the income for work and mandatory contributions of the employee and the procedures by which mandatory contributions shall be calculated and paid for persons for whom work income is compensated in accordance with the Law on Reimbursement of Losses Caused by State Administration Institutions and the Law on Compensation for Harm Inflicted in Criminal Proceedings and Records of Administrative Violations and also by which reports on mandatory contributions shall be provided shall be determined by the Cabinet.

(5) The disburser of a seasonal agricultural workers income (employer) is not entitled to update the submitted information regarding the seasonal agricultural worker’s – income tax payer’s income and his or her calculated income tax.

(6) A self-employed domestic employee of a foreign employer and a foreign employee of a foreign employer has the right to update the object of mandatory contributions and the mandatory contributions for the reporting quarter once within one month from the day specified thereto for the payment of mandatory contributions.

(61) Within ten working days after the request of the State Revenue Service a self-employed person has the right to update the object of mandatory contributions and the mandatory contributions once in accordance with that determined in the inspection for the reporting quarter.

(7) [8 December 2021]

[*20 December 2012; 13 March 2014; 30 November 2015; 22 September 2016; 20 December 2016; 27 July 2017; 25 October 2018; 27 November 2020; 8 December 2021*]

**Section 20.2 Determination of the Amount of Mandatory Contributions and Performance from the Income for Exercising the Right to Purchase Stocks Granted by an Employer or an Undertaking Related to an Employer within the Meaning of the Law On Enterprise Income Tax for Employees with whom Employment Relationship has been Terminated**

(1) Income earned from exercising the right to purchase stocks granted to an employee by an employer or an undertaking related to an employer within the meaning of the law On Enterprise Income Tax, if the employee has terminated employment relationship with the employer on the day of exercising the right to purchase stocks, shall apply to the taxation period in which employment relationship was terminated.

(2) The employer shall calculate mandatory contributions for each employee with whom employment relationship has been terminated and who initially was granted the right to purchase stocks, multiplying the income taxable with personal income tax laid down in Section 8, Paragraph 2.5 of the Law On Personal Income Tax by the rate of mandatory contributions, which was applicable to the employee with whom employment relationship has been terminated in the last month when employment relationship existed.

(3) The employer shall perform mandatory contributions (both the part of the employer and of the employee) from its own funds.

(4) The employer shall pay the mandatory contributions into the single tax account for each employee with whom employment relationship has been terminated and to whom the right to purchase stocks was granted initially, until the 23rd day of the month following the reporting month when income from exercising the right to purchase stocks was earned.

(5) The employer has a duty to update the amount of income for work and mandatory contributions until the time period laid down for the performance of mandatory contributions in accordance with Section 20.1 of this Law for employees with whom employment relationship has been terminated and to submit a report to the State Revenue Service on the object of mandatory contributions and the mandatory contributions from the income of such employees earned in the reporting month, implementing the granted right to purchase stocks and alienating such right, according to the procedures laid down by the Cabinet.

[*20 December 2012; 25 October 2018* / *The new wording of Paragraph four shall come into force on 1 January 2021. See Paragraph 68 of Transitional Provisions*]

**Section 20.3 Minimum Amount of the Object of Mandatory Contributions per Reporting Month for an Employee and an Employer, its Determination and the Payment of Mandatory Contributions**

[20 December 2016]

**Section 20.4 Minimum Object of Mandatory Contributions, Its Determination and the Payment of Mandatory Contributions**

(1) The minimum object of mandatory contributions in a quarter shall be three minimum monthly wages stipulated by the Cabinet. If a person is an employee with several employers or concurrently an employee and a self-employed person, the objects of mandatory contributions declared for the person shall be added up.

(2) If the object of mandatory contributions declared for an employee or an employee who concurrently is a self-employed person is less than three minimum monthly wages stipulated by the Cabinet, the mandatory contributions from the difference between the amount of three minimum monthly wages stipulated by the Cabinet and the declared object of mandatory contributions shall be made by the employer from its own funds.

(3) The employer shall make the minimum mandatory contributions in proportion to the declared object of mandatory contributions (if a person is an employee with several employers) and for those calendar days on which a person is an employee.

(31) If mandatory contributions of a self-employed person for a calendar year have been made from income smaller than 12 minimum monthly wages determined by the Cabinet, the self-employed person shall make the minimum mandatory contributions to pension insurance in the amount of 10 per cent from the difference of the income (a micro-enterprise taxpayer – from the turnover) and the minimum object of mandatory contributions.

(32) If a self-employed person who is not concurrently an employee predicts that his or her income from the object referred to in Section 14, Paragraph two of this Law will not reach the minimum amount of the object of mandatory contributions in the quarter, he or she shall submit a statement to the State Revenue Service regarding the income planned in the next quarter by the seventeenth day of the month following the quarter or concurrently with registration of economic activity, or within 15 days after losing the states of an employee. The self-employed person may, by 17 January, submit a statement to the State Revenue Service regarding the income planned in a calendar year. If the self-employed person has failed to submit a statement regarding the planned income, the State Social Insurance Agency shall calculate the minimum mandatory contributions in respect of him or her and notify the State Revenue Service regarding them. If the self-employed person has submitted a statement regarding the planned income, he or she shall make the mandatory contributions in accordance with Sections 14 and 14.1 of this Law.

(4) The minimum mandatory contributions laid down in Paragraph one of this Section shall not be made for:

1) a convicted person who is employed during serving the custodial sentence;

2) a person who has attained the age that entitles to receive the State old-age pension, or to whom a State old-age pension has been granted (including before term);

3) a person with Group I and II disability;

4) a person in whose tax booklet or that of the spouse the child who has not reached the age of three years is registered;

5) a person in whose tax booklet or that of the spouse three or more children up to 18 years of age or up to 24 years of age of whom at least one child is younger than seven years while a child is continuing the acquisition of his or her secondary, vocational, higher, or special education are registered;

6) a person in whose tax booklet or that of the spouse a minor child is registered who, in accordance with laws and regulations, has been recognised as a person with disability;

7) a person up to 24 years of age who is studying at a secondary, vocational, higher (full-time studies), or special educational institution, except for the time when the relevant person has interrupted his or her training or studies;

8) a person who is employed by the employer registered with the Register of Social Service Providers;

9) a person who is subject to the social exclusion risk and who is employed by an employer to whom the status of a social enterprise has been granted;

10) a person who provides the service of a State funded companion (for a child up to 18 years of age) or assistant or a care service funded by a local government for a child up to 18 years of age, or a care service for a child up to 18 years of age funded within the scope of the project of the European Union policy instruments;

11) the time period during which the economic activity of a self-employed person is discontinued;

12) the person who performs national defence service during the time of performance of direct service duties.

(5) The object of the minimum mandatory contributions laid down in this Section shall not be applied proportionally for those calendar days of a taxation year on which an employee is on a leave without retaining work remuneration, a child care leave, and for those calendar days of a taxation year on which the employee (child’s father) has been granted a leave in relation to the birth of a child on which the employee is on a leave without retaining work remuneration, which has been granted to the employee under whose care and supervision a child to be cared for has been given according to a decision of the Orphan’s and Custody Court before approval of adoption, and also for calendar days of temporary incapacity for work, a prenatal and maternity leave for which sick-leave certificate has been issued to the payer.

(6) The object of the minimum mandatory contributions laid down in this Section shall not be applied to the seasonal agricultural worker – income tax payer, a domestic employee at a foreign employer, and a foreign employee at a foreign employer.

(7) The State Social Insurance Agency shall, within three months after the end of the quarter, calculate the minimum mandatory contributions which should be made additionally by an employer and a self-employed person, and by the 20th date of the third month notify the State Revenue Service of such contributions.

(8) The State Revenue Service shall, within one working day, inform an employer and a self-employed person of the calculated minimum mandatory contributions in the Electronic Declaration System.

(9) An employer has the obligation to make the minimum mandatory contributions for employees by the 23rd date of the third month of the day of receipt of the notification. A self-employed person has the right to make an advance payment of the minimum mandatory contributions until the 23rd date of the third month of the day of receipt of the notification. A self-employed person is obliged to make the minimum mandatory contributions for the previous calendar year each year by 23 June.

(10) The State Social Insurance Agency shall, within three months after the end of a calendar year, make the re-calculation of the minimum mandatory contributions, taking into account the object of the minimum mandatory contributions for a year, and inform the State Revenue Service of the overpaid minimum mandatory contributions by an employer and a self-employed person.

(11) A self-employed person who has acquired the status of a creative person in accordance with Section 12 of the Law on the Status of Creative Persons and Professional Creative Organisations and whose object of mandatory contributions per year is less than 12 minimum monthly wages stipulated by the Cabinet is entitled to request financial aid from the State Culture Capital Foundation within the Programme of Support Measures for Creative Persons. The State Culture Capital Foundation shall make the minimum mandatory contributions for a self-employed person in the special budget of the State social insurance.

(12) In calculating the average wage subject to insurance contributions for an employee for which mandatory State social insurance contributions are to be made from the minimum object of mandatory contributions, the State Social Insurance Agency shall take into account the minimum object of mandatory contributions which has been calculated in the Social Insurance Information System and registered on the day when the State social insurance benefit or compensation is granted. The State social insurance benefit or compensation shall not be recalculated if the minimum object of mandatory contributions changes when making a calculation or recalculation of the minimum object of mandatory contributions.

[*27 November 2020; 16 November 2021; 8 December 2021; 5 April 2023*]

**Section 21. Procedures and Time Periods for Making Contributions**

(1) An employer shall pay mandatory contributions into the single tax account for each employee once a month by the 23rd day of the month following the reporting month.

(2) An employee shall make mandatory contributions through his or her employer. The employer shall deduct the contributions to be made by an employee and pay them into the single tax account within the time limits specified in Paragraph one of this Section.

(21) If an employer has not made social insurance contributions determined by this Law, the person for whom they had to be made by the employer and who has reached the age that gives the right to receive the State old-age pension may make social insurance contributions for pension insurance. The Cabinet shall govern the provisions, time periods, and procedures by which a person shall make social insurance contributions for pension insurance.

(3) A self-employed person shall make the mandatory contributions until the 23rd day of the month following the quarter.

(31) [27 November 2020 / See Paragraph 75 of Transitional Provisions]

(32) A self-employed person shall, by 23 January of the following year, make the mandatory contributions referred to in Section 14.1, Paragraph three of this Law from the agricultural production income or income from intellectual property for a year.

(4) A domestic employee of a foreign employer and a foreign employee of a foreign employer shall make mandatory contributions by the 23rd day of the month following the quarter.

(5) Persons who joined pension insurance, disability insurance, maternity and sickness insurance, and parents’ insurance voluntarily shall make the voluntary contributions by the last day of each month.

(6) [20 June 2001]

(7) Late mandatory contributions shall be made in accordance with the law On Taxes and Fees.

(8) [20 June 2001]

(9) If the payment of paid income for work is delayed, an employer has an obligation to make mandatory contributions for the calculated income for work in a time period in which they should be made if the income for work would be paid timely.

(10) Before receipt of the licence card, the carrier referred to in Section 35 of the Law on Carriage by Road shall pay an advance on the mandatory contributions in the amount of EUR 130 per calendar month for each taxi or passenger car which is used for the commercial carriage of passengers into the account specially provided for this purpose. The institution shall verify the payment of the advance on mandatory contributions before issuing the licence card. The carrier is entitled to reduce the payment of the monthly mandatory contributions by the amount paid in advance. In these cases, the provisions of Section 21.1, Paragraph four of this Law shall not be applied. If the carrier has been liquidated or has not used the advance on mandatory contributions within three years from the payment of the advance on mandatory contributions, the State Revenue Service shall transfer it into the State pension special budget until 1 April of the following year.

(11) The employer has an obligation to make mandatory contributions for an employee within a month following the date on which the court judgement or decision taken by the respective State administration institution on the collection of the unpaid work remuneration has come into force.

[*10 June 1998; 20 June 2001; 8 November 2007; 3 December 2009; 20 December 2010; 23 November 2016; 22 November 2017; 25 October 2018; 3 April 2019; 27 November 2020; 8 December 2021*]

**Section 21.1 Refund of Overpaid Contributions**

(1) Contributions overpaid within a time period of a calendar year shall be calculated by the State Social Insurance Agency within three months after the end of the calendar year in accordance with the procedures stipulated by the Cabinet.

(11) The State Social Insurance Agency shall inform the socially insured person regarding the overpaid contributions. The procedures by which a socially insured person shall be informed shall be determined by the Cabinet.

(2) The State Social Insurance Agency shall refund the overpaid contributions of socially insured persons in accordance with the procedures stipulated by the Cabinet.

(3) The overpaid contributions the amount of which does not reach EUR 22.41 shall be accumulated and repaid after the end of the calendar year in which they reach or exceed EUR 22.41.

(4) The State Revenue Service shall redirect the overpaid mandatory contributions of each employer for covering other tax debts, if any, or include in the payments of following periods, or refund upon request of the employer.

(5) Upon calculating the overpaid contributions of a person for the calendar year, the State Social Insurance Agency is entitled to write off the contribution difference created by rounding the amount of the contribution but not more than one euro per one socially insured person.

[*25 November 1999; 22 September 2016; 27 November 2020*]

**Section 21.2 Object of Mandatory Contributions Exceeding the Maximum Amount of Mandatory Contributions**

(1) The object of mandatory contributions which exceeds the maximum amount of the object of mandatory contributions specified in Section 14, Paragraph five of this Law shall be deemed to be the solidarity tax object.

(2) The mandatory contributions made from the object specified in Paragraph one of this Section shall be redirected to the solidarity tax.

(3) The procedures by which the State Social Insurance Agency shall list, calculate, and pay the solidarity tax shall be determined by the Cabinet.

[*30 November 2008; 27 July 2017*]

**Section 21.3 Transfer of the Mandatory Contributions from another Member State in Accordance with the Regulation**

(1) On the basis of the application of a person and co-operating with the competent authority of another Member State, the State Social Insurance Agency shall carry out the transfer of mandatory contributions from another Member State and inform the State Revenue Service thereof.

(2) The mandatory contributions shall be transferred only for the previous period about which the State Social Insurance Agency has agreed with the competent authority of another Member State and which does not exceed the time period indicated in the decision on applicable laws (Certificate A1).

(3) Mandatory contributions made in another Member State shall be transferred into the State social insurance special budget without late charges.

(4) The transferred mandatory contributions are not updated.

(5) The State Social Insurance Agency shall calculate and register the transferred mandatory contributions and the object of mandatory contributions proportionally, taking into account the mandatory contribution rate applied to a person either as an employee or a self-employed person within the respective period in Latvia. If the amount of the calculated object of mandatory contributions for the calendar year exceeds the maximum amount of the object of mandatory contributions, the maximum amount of the object of mandatory contributions shall be registered for the respective person. The overpaid transferred mandatory contributions are not refunded.

(6) The transfer of the mandatory contributions shall not change the amount of the insurance service granted to the respective person, except for the old-age pension. After registering the mandatory contributions, the State Social Insurance Agency shall, within a month, review the old-age pension granted to the respective person. The old-age pension shall be re-calculated starting with the first date of the month following the month in which the contributions have been registered.

(7) Within 10 working days after registering the transferred mandatory contributions, the State Social Insurance Agency shall ensure their registration also in the participant accounts of the State funded pension scheme. The mandatory contributions to the participant accounts of the State funded pension scheme shall be registered, taking into account the contribution rate of the State funded pension scheme for the respective period of time.

[*22 September 2016*]

**Section 21.4 Transfer of the Mandatory Contributions to Another Member State in Accordance with the Regulation**

(1) Upon request of the competent authority of another Member State, the State Social Insurance Agency shall hand over to another Member State the actually made mandatory contributions for the period of time which has been specified in the decision to determine the applicable laws (Certificate A1) and shall inform the State Revenue Service regarding the person whose mandatory contributions have been transferred and the period of time for which the mandatory contributions have been calculated.

(11) Concurrently with the transfer of the mandatory contributions referred to in Paragraph one of this Section to another Member State, the share of the following registered solidarity tax shall also be transferred to this country:

1) for the year 2018 – in the occupational pension scheme;

2) for the years 2019 and 2020 – in the personal account of the solidarity taxpayer in accordance with the law On State Pensions.

(2) After receiving the information referred to in Paragraph one of this Section from the State Social Insurance Agency, the State Revenue Service shall revoke the information included in the employer’s report.

(3) The mandatory contributions shall be transferred from the expenditures of each of the State social insurance special budgets according to the share of each special budget revenues in accordance with the law on the State budget for the respective year.

(4) The mandatory contributions for the months which have been taken into account in calculating the sums for a social service are not transferred.

(5) After transferring the mandatory contributions, the State Social Insurance Agency shall review the respective person’s rights to a social insurance service or the amount of the service granted to him or her. If a person loses his or her rights to a social insurance service or the amount of the service changes, the State Social Insurance Agency, starting with the first date of the month following the month in which the contributions have been transferred, shall terminate the payment of the social insurance service or review the amount of the service.

(6) If in the period regarding which the mandatory contributions must be transferred the respective person is a participant of the State funded pension scheme, the State Social Insurance Agency shall give the manager of the State funded pension scheme funds the task to transfer the funded pension capital accrued by the person into the State pension special budget within five working days prior to the transfer of the mandatory contributions. If after transfer of the contributions the participant of the State funded pension scheme is no more a socially insured person (is not subject to State pension insurance), the State Social Insurance Agency shall ensure the closure of the State funded pension scheme participant’s account.

[*22 September 2016; 22 September 2017; 27 November 2020*]

**Section 22. Inclusion of Mandatory Contributions in Special Budget Accounts**

(1) Each working day, the State Revenue Service shall, on the basis of the breakdown of the mandatory contribution revenues specified in the annual State budget law, allocate the revenues from the mandatory contributions received in the single tax account and attributed to the mandatory contributions to the special budgets and the State basic budget.

(2) Following the allocation made in Paragraph one of this Section, the State Revenue Service shall transfer the share to be allocated to the social insurance special budget revenues into the State social insurance contribution allocation account each working day.

(3) The State Treasury shall, each working day, transfer the funds available in the State social insurance contribution allocation account into the accounts of the social insurance special budget accounts in accordance with the proportion of social insurance revenues specified in the annual State budget law.

(4) If, when planning the annual State budget, revenues in any of the special budgets and the surplus of funds from previous years does not cover the annual budget expenditures but there is a surplus of funds in another special budget, then, upon calculating the proportion of each special budget revenues, the financing for covering the budget expenditures shall be included therein.

[*25 October 2018* / *The new wording of this Section shall come into force on 1 January 2021. See Paragraph 68 of Transitional Provisions*]

**Section 23. Report on Mandatory Contributions**

(1) An employer has an obligation to, once a month until the 17th day of the month following the reporting month, submit a report to the State Revenue Service on the object of mandatory contributions and the mandatory contributions from the work income of employees in the reporting month in accordance with the procedures specified by the Cabinet.

(11) The employer who updates the income for work of an employee and mandatory contributions in accordance with the procedures laid down in Section 20.1, Paragraph two of this Law, may update once each reporting month.

(12) The disburser of a seasonal agricultural workers income (employer) shall have the obligation within five working days after the last day of the month in which he or she has gained income to submit to the State Revenue Service an employer’s report on the income of the seasonal agricultural worker – income tax payer, and the calculated seasonal agricultural workers income tax in the reporting month. The procedures by which the disburser of a seasonal agricultural workers income (employer) shall submit employer’s report to the State Revenue Service shall be determined by the Cabinet.

(13) [20 December 2016]

(14) The State Revenue Service shall not accept employer’s reports in which the information on the employees does not conform to the employees’ status periods.

(15) [27 November 2020 / See Paragraph 77 of Transitional Provisions]

(2) Self-employed persons, domestic employees of a foreign employer and foreign employees of a foreign employer shall be obliged to submit to the State Revenue Service a report on the object of mandatory contributions and mandatory contributions by the 17th day of the month following the quarter in accordance with the procedures specified by the Cabinet.

(21) [27 November 2020 / See Paragraph 75 of Transitional Provisions]

(22) As regards the annual agricultural production income or income from intellectual property, a self-employed person shall be obliged to submit to the State Revenue Service a report regarding the object of mandatory contributions and mandatory contributions by 17 January of the following year by submitting the fourth quarter report regarding the object of mandatory contributions and mandatory contributions.

(3) In accordance with the procedures stipulated by the Cabinet the State Revenue Service shall submit to the State Social Insurance Agency information regarding social insurance contributions made and the social tax payments made. The State Social Insurance Agency shall, according to the procedures stipulated by the Cabinet, register the mandatory payments and social tax payments and shall recalculate the mandatory payment object if such payments have not been made to the full amount.

(4) The State Social Insurance Agency, on the basis of a socially insured person personally requesting or submitting in writing a request at any office of the State Social Insurance Agency, shall issue or send without charge information regarding the status of the insurance accounts of such person.

(5) The State Revenue Service has the right to update and correct the information submitted by the performers of mandatory contributions, if mistakes have been encountered in the information submitted by the performers of mandatory contributions or reports regarding mandatory contributions on the basis of the information provided by other State institutions. In such case the State Revenue Service shall, within 10 working days, inform the performer of mandatory contributions regarding the corrections made.

(6) The employer has an obligation to submit the information referred to in Paragraph one of this Section to the State Revenue Service within a month following the date on which the court judgement or decision taken by the respective State administration institution on the recovery of remuneration for forced absence from work or work income not paid in a timely manner has entered into effect. If the employer fails to submit the abovementioned information, the State Revenue Service shall update the report of the employer on the object of mandatory contributions and mandatory contributions on the basis of an application submitted by the person and the submitted court judgment or decision taken by the respective State administration institution, dividing the object of mandatory contributions and mandatory contributions proportionately for the entire period, unless the division arises from the court judgment or decision by the institution.

[*25 November 1999; 20 June 2001; 17 March 2005; 15 June 2006; 19 June 2008; 16 June 2009; 3 December 2009; 20 December 2012; 13 March 2014; 30 November 2015; 23 November 2016; 20 December 2016; 27 July 2017; 22 November 2017; 25 October 2018; 27 November 2020; 8 December 2021*]

**Chapter V.1 Mandatory Contributions for Pension Insurance from Royalties (Copyright and Neighbouring Rights Remuneration) and Income of a Self-employed Person**

[27 November 2020 / See Paragraph 76 of Transitional Provisions]

**Section 23.1 Mandatory Contributions for Pension Insurance from Royalties (Copyright and Neighbouring Rights Remuneration)**

[27 November 2020 / See Paragraph 76 of Transitional Provisions]

**Section 23.2 Mandatory Contributions for Pension Insurance for Self-employed Persons**

[27 November 2020 / See Paragraph 76 of Transitional Provisions]

**Section 23.3 Registration of Mandatory Contributions for Pension Insurance in the Accounts of Persons**

[27 November 2020 / See Paragraph 76 of Transitional Provisions]

**Chapter VI State Mandatory Social Insurance Administration**

**Section 24. State Social Insurance Agency**

(1) By 31 December 2003:

1) the State Social Insurance Agency (hereinafter – the Agency) is a non-profit organisation State stock company which operates in accordance with this Law, the law On Non-profit Organisations, the law On Stock Companies, other laws and regulations and its articles of association;

2) the Agency is a legal person, it has its own current accounts in banks and its own seal;

3) the Agency is the manager of the budgets specified in Section 7 of this Law;

4) the operation of the Agency is controlled by a council appointed by the Cabinet which council includes representatives recommended by the Minister for Welfare;

5) the chair of the council of the Agency is the Minister for Welfare, as well as the representative of the holder of State capital shares in the Agency;

6) the Cabinet shall appoint the Director-General of the Agency upon recommendation from the Minister for Welfare.

(2) From 1 January 2004:

1) the Agency is a State agency supervised by the Ministry of Welfare which implements State policy in the field of social insurance and State social benefits;

2) the Agency is engaged in the administration of special budgets, as well as in administration of social insurance services and State social benefits transferred to the competence of the Agency in accordance with laws and regulations;

3) the Agency territorial units are Agency offices.

(3) From 1 January 2011 the Agency shall administer service pensions that have been granted in accordance with Law on the Service Pension of State and Local Government Professional Orchestra, Choir, Concert Organisation, Theatre and Circus Artists and the Allowance for Creative Work of Ballet Artists, the Law on the Service Pension of Judges, the Law on the Service Pension of Diplomats, the Law on the Service Pension of Officials of the Corruption Prevention and Combating Bureau, the Law on the Service Pension of Prosecutor, the law On the Service Pensions of Employees with Special Service Ranks Working in the System of the Ministry of the Interior, and the by-laws On Pensions of Rank-and-file and Commanding Officers of the Institutions of Interior (Employers Pensions), and service pensions of the officials of State security institutions which have been granted in accordance with the Law on Service Pensions of Officials of State Security Institutions (hereinafter – the service pensions).

(4) From 15 January 2013 the Agency shall be a State authority of direct administration under supervision of the Minister for Welfare which carries out the functions specified in Paragraphs two and three of this Section.

[*3 April 2003; 22 January 2004; 20 December 2010; 20 December 2012; 25 October 2018*]

**Section 24.1 Social Insurance Information System**

The Social Insurance Information System (SIIS) is a State information system which, in accordance with the procedures laid down in the laws and regulations, includes information received from the State and local government authorities, natural and legal persons, including personal data in order to ensure the records of socially insured persons, the granting and payment of social insurance services, State benefits and service pensions, the control of the outturn of the State budget funds as well as high quality performance of the Agency’s other functions of the Agency. The Agency shall be the manager of the System.

[*22 September 2016*]

**Section 24.2 Ensuring Exchange of Information with Other Member States**

(1) The Agency shall ensure the functioning in the Republic of Latvia of the Access Point referred to in Article 4 of Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems, and also the functioning of the substitute for the National Application of the Agency (hereinafter – the RINA) for the preparation of structured electronic documents in order to ensure electronic exchange of information with other Member States in the fields of social security referred to in Article 3 of Regulation No 883/2004.

(2) The Access Point is a State information system and the Agency is the manager thereof.

(3) The information received at the Access Point which is related to the execution of the functions of the Agency is processed in the RINA of the Agency and the SIIS.

(4) The RINA of the Agency is a State information system where structured electronic documents are received and prepared for the exchange of data with other European Union and European Economic Area Member States and the Swiss Confederation.

(5) The manager of the RINA of the Agency shall be the Agency.

(6) The Cabinet shall determine the information to be processed by the RINA of the Agency and the procedures for the processing thereof.

(7) The information received at the Access Point which is related to the execution of the functions of the National Health Service is automatically forwarded to this Service where it is processed in the RINA of the National Health Service and the International Cooperation Information System.

(8) The Agency and the National Health Service shall use the Access Point for transferring information at the disposal of the institution to other Member States within the limits of the competence of the institution in the field of social security.

[*15 June 2021*]

**Section 24.3 Exchange of Information within the Framework of Social Security Agreements**

The Agency shall send to and receive from the countries with which agreements in the field of social security have been concluded information related to the performance of the functions of the Agency. The Agency shall process the received information in the SAIIS.

[*25 October 2018* / *Section shall come into force on 1 January 2019. See Paragraph 69 of Transitional Provisions*]

**Section 25. Financing the Operation of the Agency**

(1) Until 31 December 2003 the operation of the Agency shall be financed from the special budgets in accordance with the procedures specified in law, as well as from funds acquired by the Agency as a result of entrepreneurial activities provided for in the articles of association.

(2) As of 1 January 2004 the operation of the Agency shall be financed from the special budget revenue earmarked for particular purposes, from other special purpose earmarked income, from donations and gifts, foreign financial assistance resources, as well as from own revenue.

[*3 April 2003; 22 January 2004*]

**Section 26. Financing the Operation of the Agency**

[3 April 2003]

**Section 26.1 Request for the Services Administered by the Agency**

(1) A person shall submit a request for a social insurance service, a State social benefit, and a service pension and the documents necessary for granting thereof in person or electronically to one of the Agency’s departments. If the respective documents are sent electronically, they should be drawn up in accordance with the laws and regulations governing electronic documents.

(2) A person may send a request for a social insurance service (except for a State pension) and a State social benefit and the documents necessary for granting thereof by mail or submit them through an authorised person.

(3) A person may request the available services administered by the Agency in the joint State and local government services online portal www.latvija.lv by using the authentication means offered by the portal.

(4) A person may also send a request for the recalculation of State pension due to the supplementation of insurance contributions after granting (recalculation) of the pension by post or submit it through an authorised person.

[*12 March 2015; 8 December 2021*]

**Section 27. Dispute or Appeal of Administrative Acts issued by the Agency, Extension of Time Period for Issuance Thereof**

(1) A person may dispute to the director of the Agency administrative acts issued by Agency officials or actual actions thereof within one month from the day of the entering into effect of the administrative act. The decision of the director of the Agency may be appealed to a court within one month from the day of the entering into effect of the decision of the director.

(2) The submitting of a submission to the director of the Agency or the submitting of an application to a court shall not suspend the execution of an administrative act issued by the Agency. The director of the Agency is entitled, by a written decision, to suspend the execution of an adverse administrative act of an addressee if a submission has been received from the person regarding the suspension of the execution of the administrative act.

(3) The director of the Agency has the right, with a motivated decision, to extend the time period for issuance of an administrative act up to three years from the day of receipt of a person’s request, if a lasting determination of facts is required for granting of social insurance services or State social benefits in relation to the receipt of information from a competent foreign institution. A decision of the director of the Agency to extend a time period may be appealed to court.

(4) Administrative acts prepared in the Social Insurance Information System (SIIS) shall be in effect and valid without the signature of the official of the Agency.

(5) An employer and a self-employed person may contest the calculation of the minimum mandatory contributions made by the Agency by submitting a submission to the director of the Agency within a month from the day when the information has been sent in the Electronic Declaration System. The decision of the director of the Agency may be appealed to a court within one month from the day of the entering into effect of the decision of the director.

[*22 January 2004; 16 June 2009; 27 November 2020; 8 December 2021*]

**Section 27.1 Recovery of Overpayments of Social Insurance Services, State Social Benefits and Service Pensions**

(1) The Agency shall recover the overpaid sums of social insurance services, State social benefits, and service pensions for not more than a three year period counting from the day of detecting the overpayment, but in cases which for establishing the overpayment need information from a competent authority of a foreign country – for not more than a three year period within six years starting from the day of detecting the overpayment. The Agency shall initiate enforcement activities in order to recover the overpaid sums for a social insurance service, a State social benefit, or a service pension granted to the respective person within one year after the deadline for voluntary execution has expired in accordance with the procedures specified in the Administrative Procedure Law by applying the limitation periods and the conditions for terminating the limitation periods specified in the Civil Procedure Law.

(2) If the social insurance service, State social benefit, or service pension has been granted to a person, the Agency shall perform deductions for recovery of the overpayment of social insurance service, State social benefit, or service pension in amount of 10 per cent from each granted social insurance service, State social benefit, or service pension. Deductions shall not be made from a childbirth allowance, a one-time benefit to a surviving spouse, a funeral benefit, and a compensation for additional expenses due to an accident at work or an occupational disease.

(3) The State Revenue Service shall, in accordance with the procedures stipulated by the Cabinet, refund the Agency the personal income tax deducted from the overpaid service upon request of the Agency to refund the sum of the tax paid into the State budget revenues. If the person has already regained the personal income tax by submitting a personal income tax return, he or she has an obligation to refund the personal income tax deducted for the service and paid into the special budget.

(4) If a person has not been granted a social insurance service, a State social benefit, or a service pension or the payment for the abovementioned services has been terminated, the administrative act shall be forwarded to a bailiff for enforced recovery, on the basis of the Agency official’s executive order in accordance with the procedures and within the time limit specified in the Civil Procedure Law. On the basis of the Agency official’s executive order, the Agency shall forward the administrative act to a bailiff for enforced recovery also in case the respective person continues to receive the service and on the day of detecting the overpayment the sum thereof exceeds five times the monthly amount of the social insurance service, the State social benefit, and the service pension.

(5) If at the time when the Agency makes deductions due to the overpayment of a social insurance service, a State social benefit, or a service pension, the bailiff’s order for the recovery of the debt from the abovementioned services has been received, the Agency shall collect the debt for the benefit of other debt collectors after it has deducted the overpayment for a social insurance service, a State social benefit, or a service pension.

(6) If the overpayment of social insurance service, State social benefit, or service pension has occurred in relation to death or disappearance of a person, a credit institution or akciju sabiedrība “Latvijas Pasts” [State stock company Latvijas Pasts] shall, upon request of the Agency in writing, repay the overpayment caused from the account of the person to the Agency, transferring into the account specified in the request of the Agency and deducting the commission of the credit institution or State stock company Latvijas Pasts for the performance of the transfer. Repayment shall be made in such amount which does not exceed the funds available in the account of the dead person in the credit institution or in the postal payment system (PPS).

(7) If the Agency grants a social insurance service, a State social benefit, or a service pension for a time period during which any of these services has already been paid for, and the laws and regulations do not provide for concurrent receipt of the abovementioned services, the amount of the granted service costs shall be reduced by the amount of the service disbursed (granted) previously. In this case the amount of a service payable to a person in the first month shall not be less than the monthly sum of the granted service.

(8) If until the day of death of the person the Agency disburses the unpaid social insurance service, the State social benefit, or the service pension to the spouse, the first or second degree relatives or in cases specified in laws to another person on the basis of an inheritance certificate or a court ruling, the payable sum shall be reduced by the amount of the overpayment for the abovementioned services.

(9) If an employer, on the basis of a court ruling, reimburses a person for forced absence from work or makes other payments resulting from the legal employment relationship and the laws and regulations do not provide for a concurrent receipt of the abovementioned services and the income gained from the employer for the time when the respective person received a social insurance service, a State social benefit, or a service pension, the person has an obligation to refund the sum of the granted service to the Agency. In such case the provisions of Paragraph one of this Section on the overpayment period and the deadlines for its recovery shall not be applied.

(10) The recovered overpayments of social insurance services, State social benefits, and service pensions shall be transferred into the respective special budget or State basic budget from which the overpaid social insurance service, State social benefit, or service pensions were financed.

[*22 September 2016; 22 November 2017; 27 November 2020*]

**Section 28. Right to Write off the Overpayment Sums of Social Insurance Services, State Social Benefits and Service Pensions**

The Agency shall write off and exclude from the balance sheet the amounts of overpayment existing in its accounts which have resulted due to the fault of the recipients of social insurance services, State social benefits, and service pensions and which cannot be recovered due to the limitation period for the execution of the administrative act or the debtor has died and the amount of the debt does not exceed EUR 22.41 or if the person does not have a declared place of residence or his or her place of residence is outside Latvia and more than six years have elapsed after coming into effect of the administrative act. If the respective person has died, the Agency shall recover the overpayment which exceeds two minimum monthly wages stipulated by the Cabinet in accordance with the procedures laid down in the laws and regulations.

[*22 September 2016; 27 November 2020*]

**Section 28.1 Adjusting False Information in the Employers’ Reports**

The Agency, according to the information at its disposal, shall update and register the false information regarding the mandatory contributions and the object of mandatory contributions indicated in the employer’s report, if the employer has not eliminated the mistakes in his or her report within three years.

[*22 September 2016*]

**Section 29. Delivery of Social Insurance Services, State Social Benefits and Service Pensions at the Place of Residence**

If a person receives several services (for example, pensions, benefits) administered by the Agency at the place of residence and in accordance with laws and regulations a fee is intended for delivery at the place of residence for each of them, the Agency shall collect one fee for delivery on the basis of the larger amount of the service to be disbursed.

[*20 December 2010*]

**Section 30. Cost of the Services Administered by State Social Insurance for Persons Moving for Permanent Life Abroad**

(1) The State old-age pension, service pension, disability pension, survivorʼs pension, insurance compensation in relation to an accident at work or occupational disease for persons who move for permanent life abroad may be transferred by the State Social Insurance Agency to the account of the foreign bank or credit institution of the person into which the payment in euros may be credited.

(2) The recipient of the service shall cover the commission fee for the transfers referred to in Paragraph one of this Section outside a European Union Member State or a European Economic Area country. The amount to be transferred shall be reduced by the commission fee withheld by the bank or credit institution, even in the case of an erroneously made payment being transferred again to the recipient of the service.

[*27 November 2020*]

**Transitional Provisions**

1. Section 5, Paragraph four of this Law (as of 20 June 2001) shall be applied from 14 March 2001.

[*20 June 2001; 17 March 2005*]

2. The rate of mandatory contributions specified in Section 18, Paragraph one of this Law and the distribution thereof between the employer and an employee shall enter into effect on 1 January 2003.

[*20 June 2001*]

3. From 1 January 1998 to 31 December 1999 the rate of mandatory contributions shall be 37 per cent from which 28 per cent shall be paid for by an employer and 9 per cent – by an employee.

[*25 November 1999*]

4. With the coming into force of this Law, the law On Social Tax (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1996, No. 1, 7, 15) is repealed, but:

1) persons making social insurance contributions shall calculate and pay mandatory social insurance contributions in conformity with the social tax object and rates specified in the law On Social Tax (*Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1996, No. 3, 21, 29) from all income for work of socially insured persons which has been calculated for the time period from 1 January 1991 to 31 December 1995, but paid after 1 January 1996. The State Revenue Service shall control the accuracy of the calculation and payment of social insurance contributions for this time period;

2) persons making social insurance contributions shall calculate and make social insurance mandatory contributions in conformity with the social tax object and rates specified in the law On Social Tax (*Latvijas Vēstnesis*, 1996, No. 1, 7, 15) from all income for the work of socially insured persons which has been calculated for the time period from 1 January 1996 to 31 December 1997, but paid after 1 January 1998. The State Revenue Service shall control the accuracy of the calculation and payment of social insurance contributions for this time period.

5. Applications for the transfer of the social tax payment to be made within the time period between 1 January 1995 and 31 December 1997 shall be submitted to the State Revenue Service by 31 December 1998.

6. Late and unpaid social tax payments, increase in the amount of principal debt, and late charges which have been formed by 31 December 1997 shall be charged in the following order – principal debt for the time period between 1 January 1996 and 31 December 1997, principal debt for the time period between 1 January 1991 and 31 December 1995, increase in the amount of the principal debt and late charges for the time period between 1 January 1991 and 31 December 1997.

7. In 1998 funds from the State pension special budget, employment special budget, occupational accident special budget and from the disability, maternity and sickness special budget shall be included in the State basic budget for commencing the administration of State social insurance contributions in conformity with the proportion of special budgets in the amount of social insurance service financing in 1998.

8. Section 16, Paragraph two of this Law shall come into force on 1 January 1999. By 31 December 1998 late charges shall be recovered from the employer and self-employed persons for a missed time period for making contributions – 0.1 per cent for each late day from the part of mandatory contributions not paid in time.

[*10 June 1998*]

9. Section 21, Paragraph seven of this Law shall come into force on 1 January 1999. By 31 December 1998, the overdue and outstanding social insurance mandatory contributions shall have to be made in the following order: the principal debt, increase in the principal debt, and late charges.

[*10 June 1998*]

10. Section 21, Paragraph nine of this Law shall come into force on 1 January 1999.

[*10 June 1998*]

11. Section 1, Clause 3, Sub-clause “i” and Section 6, Paragraph seven of this Law, as well as amendments to Section 6, Paragraph three determining the types of insurance to which self-employed persons who have attained the age giving the right to receive the State old-age pension, and the first and second group disabled persons are subject, shall come into force on 1 January 1998.

[*10 June 1998*]

12. From 1 January 2000 to 31 December 2002 the rate of mandatory contributions and distribution thereof between the employer and the employee shall be as follows:

1) from 1 January 2000 the rate of mandatory contributions shall be 36 per cent from which 27 per cent shall be paid by an employer and 9 per cent – by an employee;

2) from 1 January 2001 the rate of mandatory contributions shall be 35 per cent from which 26 per cent shall be paid by an employer and 9 per cent – by an employee;

[*20 June 2001*]

13. By 31 December 2000 domestic employees at a foreign employer shall submit to the State Revenue Service a report on the object of mandatory contributions and contributions made in accordance with the procedures laid down in Section 23, Paragraph two of this Law.

[*25 November 1999*]

14. Amendments to Section 1, Clause 3 of this Law, except for Sub-clauses “b” and “j”, amendments to Section 5, Paragraph three in relation to the voluntary joining of a spouse of a self-employed person to disability insurance, maternity and sickness insurance, Section 6, Paragraph ten, amendments to Section 12, Paragraph two, Section 13, Paragraph three, amendments to Section 17, amendments to Section 18, Paragraph three, amendments to Section 19, Clause 5, amendments to Section 20, Paragraph five, amendments to Section 22 and Section 23, Paragraphs one and two of this Law shall come into force on 1 January 2001.

[*25 November 1999*]

15. Cancellation of the principal debt of the capitalised social tax payment and late charges related thereto in accordance with Section 25 of the law On Taxes and Duties shall have the same legal consequences as the payment of the principal debt of such tax payment and late charges.

[*25 November 1999*]

16. Clause 15 of these Transitional Provisions shall also apply to the principal debt of the capitalised social tax payment and cancellation of late charges related thereto which has been performed from 1 January 1998 by the day of coming into force of this Law.

[*25 November 1999*]

17. If an employer has not made the mandatory contributions in full by 13 March 2001 (inclusive), the paid amount shall be distributed proportionally between the employees of the respective employer.

[*20 June 2001*]

18. Section 20, Paragraph five of this Law shall come into force on 1 January 2003. From 1 January 2001 to 31 December 2002 a foreign employee at a foreign employer shall calculate a mandatory contribution multiplying the object of mandatory contributions by the mandatory contribution rate specified for the employee if the employee has been insured in all types of social insurance, except for a rate specified for occupational accident insurance and unemployment insurance, starting with the 184th day after the arrival in the Republic of Latvia or the 367th day if the duration of work exceeds 12 months for the persons who have been sent to perform particular work in the territory of the Republic of Latvia for a time period not longer than 12 months.

[*20 June 2001*]

19. Section 1, Clause 3, Sub-clause “c” (as of 20 June 2001) and Section 6, Paragraph thirteen of this Law shall be applied from 1 January 2001.

[*20 June 2001*]

20. A person who is an employee in accordance with Section 1, Clause 2 of this Law and receives concurrently a royalty has the right in 2001 not to make social insurance mandatory contributions from the income acquired in the form of a royalty. If in 2001 the referred to person chooses to make concurrently also social insurance mandatory contributions from the income acquired in the form of a royalty such contributions shall be made in conformity with the social insurance contribution rate specified for self-employed persons and in accordance with time periods and procedures specified for self-employed persons.

[*27 July 2001*]

21. Amendments to Section 5; Paragraph one, Section 6, Paragraph four, Clause 1 and Paragraph five, Clause 1 in relation to persons performing alternative service, as well as Section 6, Paragraphs fifteen and sixteen shall come into force on 1 July 2002.

[*6 June 2002*]

22. Section 1, Clause 3, Sub-clause “l” and Section 6, Paragraph fourteen, as well as amendments to Section 14, Paragraph seven shall be applied from 1 January 2002.

[*6 June 2002*]

23. Amendments to the Law of 6 June 2002 to Section 6, Paragraph two in relation to subjecting of employees – Group I or II disabled persons to disability insurance, to Section 6, Paragraph three in relation to subjecting of self-employed persons – Group I or II disabled persons to disability insurance, to Section 6, Paragraph nine in relation to subjecting of domestic employees at a foreign employer – Group I or II disabled persons to disability insurance, as well as to Section 20, Paragraphs three, four, and seven in relation to subjecting of domestic employees at a foreign employer – Group I or II disabled persons to disability insurance shall come into force on 1 January 2003.

[*6 June 2002; 17 March 2005*]

24. Cabinet Regulation No. 436 of 23 December 1997, Articles of Association of the Non-profit-making Organisation the State Stock Company “Valsts sociālas apdrošināšanas aģentūra” [State Social Insurance Agency], shall be applied until 31 December 2003.

[*3 April 2003*]

25. Amendments to Section 6, Paragraphs two and nine and Section 20, Paragraph three, Clause 2, Paragraph four, Clause 2, and Paragraph seven, Clause 3 in relation to those employees not being subject to insurance against unemployment who receive a service pension or who are Group III disabled persons – recipients of State special pensions, shall come into force on 1 July 2004.

[*22 January 2004*]

26. From 1 January 1991 to 13 March 2001 (inclusive) a person is socially insured starting from the day when he or she has acquired the status of an employee [was registered with the mandatory payments (social tax) administration in accordance with the procedures laid down in laws and regulations] or has been called up for mandatory active military service irrespective of the fact whether actual mandatory payments (social tax) have been made.

[*17 March 2005; 19 June 2008; 22 November 2017*]

27. If for the persons referred to in Paragraph 26 of these Transitional Provisions, the mandatory payments (social tax) administration has not registered the mandatory payments (social tax) object in conformity with the provisions of Section 14, Paragraph one of this Law, the mandatory payments (social tax) object shall be the minimum wage stipulated by the Cabinet for the respective time period.

[*17 March 2005*]

28. Amendments to Section 1, Clause 4 of this Law in relation to persons who are employed by another Member State employer and to whom, in accordance with Articles 13, 14, 15, 16, and 17 of the Regulation, laws and regulations of the Republic of Latvia are applicable, shall come into force on 1 January 2006.

[*17 March 2005*]

29. Amendments to Section 6, Paragraph two of this Law in relation to employees – Group I and II disabled persons being subject to insurance against unemployment, Paragraph nine in relation to domestic employees at a foreign employer – Group I and II disabled persons being subject to insurance against unemployment, as well as Section 20, Paragraphs three, four, and seven in relation to employees and domestic employees at a foreign employer – Group I and II disabled persons being subject to insurance against unemployment, shall come into force on 1 January 2006.

[*17 March 2005*]

30. Amendments to Section 6, Paragraph five of this Law in relation to recipients of maternity benefits being subject to insurance against unemployment shall come into force on 1 January 2006.

[*17 March 2005*]

31. Amendments to Section 6, Paragraphs eight and nine and Section 20, Paragraph seven of this Law in relation to domestic employees at a foreign employer being subject to insurance against occupational accidents shall come into force on 1 January 2006.

[*17 March 2005*]

32. Section 6, Paragraph seventeen of this Law shall come into force on 1 January 2006.

[*17 March 2005*]

33. The new wording of Section 18, Paragraph one of this Law regarding the specification of rates of mandatory payments if the employee has been insured in all types of social insurance to the amount of 33.09 per cent of which 24.09 per cent is paid by the employer and 9 per cent by the employee shall come into force on 1 January 2006.

[*17 March 2005*]

34. Until the day when the Law comes into force which will specify the future status of an individual undertaking, in addition to the persons referred to in Section 1, Clause 2 of this Law, the following shall be deemed employers:

1) an owner of an individual undertaking (which is founded in order to operate with craft activities within the meaning of the law On Craft Activities) who not being in legal employment relationship with the administrative authority of his or her undertaking performs the operational management function of such an undertaking if, in accordance with the procedures specified in law, a manager (director) has not been appointed (elected) in such undertaking, and his or her object of mandatory contributions is his or her own selected amount which is not less than the minimum wage stipulated by the Cabinet;

2) a manager (director) of an individual undertaking appointed (elected) in accordance with the procedures specified in law who not being in legal employment relationship with such an undertaking performs the management function of such an undertaking, and his or her object of mandatory contributions is his or her specified remuneration, but if a remuneration is not determined – his or her own selected amount which is not less than the minimum wage stipulated by the Cabinet.

[*27 October 2005*]

35. If the persons referred to in Paragraph 34 of these Transitional Provisions have not determined for themselves an object of mandatory contributions or it is less than the amount of the minimum wage stipulated by the Cabinet and there is no supporting document which attests thereto, the tax administration shall recover from the employer the mandatory contributions and fines in the amount of three times the mandatory contribution from the amount that conforms to the amount of the minimum wage stipulated by the Cabinet.

[*27 October 2005*]

36. Amendments to Section 5, Section 6, Paragraph four, and Section 19 of this Law in relation to persons who receive a care for a disabled child benefit shall come into force on 1 January 2006.

[*27 October 2005*]

37. Amendments to the introductory part of Section 1, Clause 3 and Section 14, Paragraph two regarding the payers of a fixed income tax as well as to Section 6, Paragraph 3.1 shall come into force on 1 September 2008. Self-employed persons who pay the fixed income tax from 2008 and who have not made mandatory contributions from 1 January 2008 to 31 August 2008 have the right of choosing to make mandatory contributions for this period. Mandatory contributions for the period starting from 1 January 2008 until 31 August 2008 shall be made until 15 October 2008 and a late charge shall be applied to them.

[*19 June 2008*]

38. Amendments to Section 5, Paragraph one, Section 6, Paragraphs four and five of this Law in relation to subjecting of persons to pension insurance and unemployment insurance who receive paternity benefit shall come into force on 1 January 2009.

[*19 June 2008*]

39. Section 6, Paragraph 5.1 of this Law and amendments to Section 19 in relation to subjection of persons to disability insurance who receive maternity or paternity benefit, or who take care of a child who has not reached one and a half years of age and receive an allowance for child care, or who take care of a child who has not reached the age of one year and receive parenting benefit shall come into force on 1 January 2009.

[*19 June 2008*]

40. Amendments to Section 6, Paragraphs two and nine, Section 20, Paragraph three, Clause 2, Paragraph four, Clause 2, and Paragraph seven, Clause 3 of this Law in relation to disability – subjecting of the recipient of the State special pension to the types of social insurance – shall come into force on 1 January 2009.

[*19 June 2008*]

41. Amendments to Section 13, Paragraph two of this Law shall come into force on 1 January 2009.

[*19 June 2008*]

42. Amendments to Section 14, Paragraph seven of this Law in relation to the contributions made by the employer in private pension funds in favour of the employee not to be included in the object of mandatory contributions in conformity with pension schemes and paid in insurance premium sums shall come into force on 1 January 2009.

[*19 June 2008*]

43. The restriction of the maximum amount of the object of mandatory and voluntary contributions (the rights to determine the maximum amount of the object that are delegated to the Cabinet) provided for in Section 14, Paragraphs five and six of this Law shall not be applied within the time period from 1 January 2009 until 31 December 2013.

[*19 June 2008*]

44. Persons to whom within the time period from 1 January 1996 until 13 March 2001 (inclusive) the granting of an unemployment benefit was rejected due to the fact that the employer had not made mandatory contributions (social tax) starting with 1 January 2009, a time period up to nine months in which the unemployment benefit was not disbursed to the person and during which he or she has not been in the status of a socially insured person shall be included in pension insurance. In such case the object of mandatory contributions (social tax) shall be the minimum wage in the respective time period stipulated by the Cabinet.

[*19 June 2008*]

45. Section 20.1 of this Law shall come into force on 1 January 2009.

[*19 June 2008*]

46. Amendments to Section 3, Paragraph one of this Law in respect of the replacement of words “the contraction of an occupational disease, as well as additional expenditures in connection with the nursing of a child and” with “the contraction of an occupational disease, nursing of a child of the socially insured person, as well as additional expenditures in connection with” shall come into force on 3 May 2010.

[*16 June 2009*]

47. [20 December 2010]

48. Persons, who until 1 September 2010 have performed mandatory contributions from the payments determined in Section 14, Paragraph 2.1 of this Law, have the right to choose not to make mandatory contributions for a time period from 1 January 2010 until 31 August.

[*9 August 2010*]

49. The Cabinet shall assess the impact of mandatory contributions for pension insurance actually made and specified in Section 5, Paragraph four of this Law on the social security of persons and by 1 October 2021 and afterwards every three years by 1 October shall submit a report thereon to the *Saeima*.

[*20 December 2010; 12 March 2015; 25 October 2018*]

50. From 1 January 2012 until 31 December 2014 mandatory contributions for pension insurance intended from the State basic budget regarding persons who are performing paid temporary community work shall be made from the funds from European Union policy instruments.

[*15 December 2011; 20 December 2012; 13 March 2014*]

51. Amendments to Section 13, Paragraph five of this Law in relation to the right of the State Revenue Service to register losing the status of a socially insured person for a person (employee), as well as amendments regarding rewording of Section 20.1 of this Law and amendments to Section 23, Paragraph 1.1 regarding updating the amount of income for work and mandatory contributions shall come into force on 1 March 2013.

[*20 December 2012*]

52. Section 26.1, Paragraph three of this Law shall come into force on 1 June 2015.

[*12 March 2015*]

53. The State Insurance Agency shall calculate the mandatory contribution object of a full calendar month for the period up to 31 December 2016 according to the calculated amount of mandatory contributions of each micro-enterprise employee (except for cases when an employee of the micro-enterprise -paying micro-enterprise tax starts or terminates employment at the micro-enterprise) in proportion to the number of employees indicated each month in the tax return of the micro-enterprise and their actual income, applying to them the mandatory contribution rate fixed for the respective employee who has been insured for all types of social insurance and who has attained the age which gives him or her the right to receive a State old-age pension or whom an old-age pension (including early retirement) has been granted and for an employee who is a recipient of a service pension or a person with disabilities – recipient of a State special pension. The calculated mandatory contribution object shall be rounded to the euro and cents, dropping 0.49 cents and less and rounding 0.50 cents and more to the cent.

[*30 November 2015*]

54. [20 December 2016]

55. [20 December 2016]

56. [20 December 2016]

57. Section 6, Paragraph 2.3 of this Law, amendment to Section 14, Paragraph two of this Law regarding deleting the second sentence, amendment regarding the rewording of Section 18, Paragraph two and Section 20.1, Paragraph six shall come into force on 1 January 2017.

[*22 September 2016*]

58. Section 21.1, Paragraph 1.1 of this Law, amendment regarding the rewording of Section 21.1, Paragraph three and Section 27.1, Paragraph three shall come into force on 1 January 2018.

[*22 September 2016*]

59. Pursuant to Section 21.1, Paragraph five of this Law the Agency shall write off the mandatory contribution margin resulting from rounding up the contributions for the previous period from the day the margin originated until 31 December 2015 but not more than one euro per calendar year for one socially insured person.

[*22 September 2016*]

60. From 1 January 2018 the Agency shall, within three years, inform the State Revenue Service about the overpaid contributions of an employer and a socially insured person which have been accrued by 31 December 2016 and the amount of which reaches or exceeds 35 per cent of the State social insurance benefit and the overpayment shall be refunded in accordance with the procedures stipulated by the Cabinet.

[*22 September 2016*]

61. An employer who has started to reimburse his or her former worker (employee) the costs for the restrictions on competition by 31 December 2016 and continues to reimburse them after 1 January 2017 shall not provide information regarding acquiring the status of the employee in the reimbursement period and in the reports on mandatory contributions shall indicate the reimbursement for the restriction on competition in the period in which the respective person had the status of an employee.

[*22 September 2016*]

62. Section 13, Paragraphs six and seven and Section 23, Paragraph 1.4 of this Law shall come into force on 1 July 2017.

[*23 November 2016*]

63. By 1 May 2017 the Cabinet shall draw up draft laws on amendments regarding the amount of a social insurance service for socially insured persons having a low mandatory contribution object and submit to the *Saeima*.

[*20 December 2016*]

64. The Cabinet shall draw up and submit to the *Saeima* in the package of draft 2018 State budget law a draft law on health care financing, stipulating a link between the contributions made and receipt of health care services.

[*27 July 2017*]

65. Section 3, Paragraph three, Section 4, Clause 7, amendment to Section 5, Paragraph four in relation to supplementing this Paragraph with the words “and health insurance”, amendment to Section 5, Paragraph six in relation to supplementing this Paragraph with a sentence, amendment to Section 6 in relation to the new wording of Paragraphs one and two, amendment to Section 6, Paragraphs 2.1, 2.3, three, six, eight, nine, twelve in relation to supplementing them with the words “health insurance”, Chapter III.1, amendment in relation to the new wording of Section 18, Paragraph one and Section 22, Paragraph one of this Law shall come into force concurrently with the entry into force of the Health Care Financing Law referred to in Paragraph 64 of Transitional Provisions.

[*27 July 2017; 22 November 2017*]

66. A self-employed person shall submit the report on the object of mandatory contributions from the agricultural production income for the period by 31 December 2017 to the State Revenue Service and shall make mandatory contributions in accordance with the procedures and within the time periods effective by 31 December 2017.

[*22 November 2017*]

67. By 1 January 2019 the Office of the Prosecutor General shall submit to the Agency information regarding the persons referred to in Section 6, Paragraph four, Clause 13 and Paragraph five, Clause 9 of this Law for whom no mandatory contributions have been made as the spouse of an Eurojust representative in respect of the period of stay of this person in a foreign country (but not earlier than from 1 May 2004), indicating the given name, surname, personal identity number of the person, date of departure to the respective foreign country as the spouse of the Eurojust representative and also the date of return from the respective foreign country.

[*25 October 2018*]

68. Amendments to Section 17, Section 20.2, Paragraph four, Section 21, Paragraphs one, two, three, 3.1, and four, Section 22, and Section 23.1, Paragraph two of this Law in relation to transfer of contributions into the single tax account and amendments to Section 23, Paragraphs one, 1.5, two, and 2.1 of this Law in relation to performance of activities on specific dates shall come into force on 1 January 2021.

[*25 October 2018*]

69. Amendments to Section 14, Paragraphs five and six of this Law in relation to the maximum amount of the objects of mandatory contributions and voluntary insurance contributions for a period of three years, amendment in relation to supplementing Section 14, Paragraph twenty of this Law with a second sentence and Sections 24.2 and 24.3 of this Law shall come into force on 1 January 2019.

[*25 October 2018*]

70. By 1 March 2019 an employer has the right to update the object of mandatory contributions and mandatory contributions of employees – professional athletes – if within the period from 1 January 2018 by 31 December 2018 a professional athlete was on a child care leave, he (child’s father) was granted a leave in relation to the childbirth, he or she was on a leave without retaining work remuneration that was granted to a professional athlete to whom a child to be cared for was given under the care and supervision according to a decision of the Orphan’s and Custody Court before approval of adoption, or for calendar days of temporary incapacity for work, prenatal and maternity leave for which sick-leave certificate B is issued.

[*25 October 2018*]

71. Section 19, Paragraph four of the Law shall come into force on 1 January 2020.

[*3 April 2019*]

72. Those State institutions which employ liaison officers the spouses of which are subject to the mandatory social insurance according to Section 6, Paragraph four, Clause 13 and Paragraph five, Clause 9 of the Law and for which the respective contributions have not been made as for a spouse of a liaison officer shall, by 31 March 2020, submit to the Agency information regarding the period of stay of the aforementioned persons abroad (but not earlier than from 1 May 2004), indicating the name, surname and personal identity number of the person, the day when the person has left for the respective foreign country as a spouse of a liaison officer, and also the date when the person has returned from the respective foreign countries.

[*6 February 2020*]

73. [15 June 2021]

74. Micro-enterprise taxpayers who have been registered as micro-enterprise taxpayers until 31 December 2020 or have acquired the status of a micro-enterprise taxpayer from 1 January 2021 (already registered micro-enterprise taxpayers) shall, until 30 June 2021, apply the norms of this Law and the norms of the Micro-enterprise Tax Law which were in force on 31 December 2020, taking into account Paragraphs 32, 33, 34, 35, 36, 37, 38 and 39 of the Transitional Provisions of the Micro-enterprise Tax Law.

[*27 November 2020*]

75. Amendments to Section 6 of this Law regarding the deletion of Paragraph 2.4, to Section 21 regarding the deletion of Paragraph 3.1, and to Section 23 regarding the deletion of Paragraph 2.1, as well as Section 20.4 of the Law shall come into force on 1 July 2021.

[*27 November 2020*]

76. Amendment to this Law regarding the deletion of Chapter V1 shall come into force on 1 July 2021.

[*27 November 2020*]

77. Amendments to Section 1 of this Law regarding the deletion of Clause 6, to Section 14 regarding the deletion of Paragraph twenty-two, to Section 23 regarding the deletion of Paragraph 1.5 shall come into force on 1 January 2022.

[*27 November 2020*]

78. For the period from 1 July 2021 until 31 December 2021, self-employed persons shall make the mandatory contributions for pension insurance in the amount of at least 10 per cent and, if the income of a self-employed person in a month:

1) reaches or exceeds the minimum wage specified by the Cabinet, in addition to the object of mandatory contributions specified in Section 14, Paragraph two of this Law, shall make mandatory contributions to pension insurance once a quarter in the amount of the difference of the freely selected object of mandatory contributions and the actual income;

2) does not reach the minimum wage specified by the Cabinet, shall, once a quarter, make mandatory contributions to pension insurance from income.

[*27 November 2020; 8 December 2021*]

79. For the period from 1 July 2021 to 31 December 2021, the Agency shall, in conformity with the mandatory contributions actually made by the disburser of royalties (copyright and neighbouring rights remuneration) by applying to the self-employed person the mandatory contribution rate specified in Section 18, Paragraph two of this Law, shall register the personʼs object of mandatory contributions for social insurance and pension capital.

[*27 November 2020*]

80. If a royalty contract has been entered into until 31 December 2020 and the payment in conformity with the entered into royalty contract is paid out in the taxation year 2021, the norms of this Law in the wording which was in force on 31 December 2020 shall be applied to the payer in the taxation year 2021 in respect of the income from the abovementioned royalty contract. The disburser of royalties (copyright and neighbouring rights remuneration) shall not make the mandatory contributions for the recipients of royalty who are not permanently residing in the Republic of Latvia.

[*27 November 2020*]

81. For the period from 1 July 2021 until 31 December 2021, the Agency shall, in conformity with the mandatory contributions actually made by a self-employed person for pension insurance by applying the mandatory contribution rate for pension insurance, register the object of mandatory contributions of the person for pension insurance and the pension capital.

[*27 November 2020*]

82. If the object of mandatory contributions is smaller than the minimum object of mandatory contributions, the minimum mandatory contributions in the amount of 10 per cent for pension insurance shall be made from the difference to the minimum object of mandatory contributions by:

1) the recipient of the royalty for the period from 1 July 2021 until 31 December 2021;

2) a self-employed person for the period from 1 July 2021 until 31 December 2021;

3) a micro-enterprise taxpayer for the period from 1 July 2021 until 31 December 2021.

[*27 November 2020; 8 December 2021*]

83. For the period from 1 July 2021 to 31 December 2021, the mandatory contributions in the amount of 10 per cent for pension insurance shall not constitute the funded pension capital of a person.

[*27 November 2020; 8 December 2021*]

84. [8 December 2021]

85. The Cabinet shall, by 1 July 2021, draw up and submit to the *Saeima* the draft law Amendments to the Law On State Social Insurance regarding the social insurance of self-employed persons from 1 January 2022.

[*27 November 2020*]

86. If a self-employed person who is not concurrently an employee predicts that his or her income from the object referred to in Section 14, Paragraph two of this Law will not reach the minimum object of mandatory contributions in the quarter, he or she shall submit a statement to the State Revenue Service on the income planned in the next quarter by:

1) 15 July 2021 for the third quarter of 2021;

2) 15 October 2021 for the fourth quarter of 2021.

[*27 November 2020*]

87. If a self-employed person has not submitted a statement to the State Revenue Service on the income planned in the next quarter, the Agency shall calculate the minimum mandatory contributions to be paid in addition by the self-employed person and shall notify such contributions to the State Revenue Service by 20 March 2022.

[*27 November 2020*]

88. If a self-employed person has submitted a statement to the State Revenue Service on the income planned in the next quarter, the self-employed person shall make the mandatory contributions for pension insurance in the amount of 10 per cent of the object specified in Section 14, Paragraph two of this Law.

[*27 November 2020*]

89. The State Revenue Service shall inform the Agency if it establishes based on its mandate that a self-employed person has provided false information regarding the amount of income from economic activity or has performed other activities in order to avoid calculation of the minimum mandatory contributions in the appropriate amount. The State Revenue Service shall recover the minimum mandatory contributions, as well as the late payment charge and fine in accordance with the law On Taxes and Fees.

[*27 November 2020*]

90. A self-employed person is obliged to make the minimum mandatory contributions for the previous calendar year by the 23rd day of the third month from the day of receipt of the notification.

[*27 November 2020*]

91. The conditions of Section 6, Paragraphs 5.2 and 5.3 of this Law regarding equalisation of a furlough allowance, a furlough assistance allowance, aid for furlough, continuation of the parental benefit, a sickness aid benefit, an unemployment assistance benefit, and an allowance for a young specialist to the insurance period shall be applicable in respect of the time period from 12 March 2020. For the persons who, on the basis of Paragraph 73 of these Transitional Provisions (in the wording of 27 November 2020), have made voluntary contributions, the Agency shall, by 1 August 2021, refund the voluntary contributions if they have not been taken into account in the calculation of the pension.

[*15 June 2021*]

92. Performers of economic activity who, until 31 December 2021, have paid a patent fee for 2021 shall be socially insured in accordance with the norms of this Law which were in force on 31 December 2020 for the period of economic activity for which the patent fee has been paid.

[*15 June 2021*]

93. The Cabinet shall, by 31 December 2021, issue the regulations referred to in Section 24.2, Paragraph six of this Law.

[*15 June 2021*]

94. Until 1 February 2022, a self-employed person has the right to update the report regarding the object of mandatory contributions and mandatory contributions from the agricultural production income or income from intellectual property for a period from 1 July 2021 to 30 September 2021.

[*8 December 2021*]

95. For the period from 1 January 2022 to 31 December 2023, the Agency shall, in conformity with the mandatory contributions from income from intellectual property actually made by the disburser of income from intellectual property, register the object of mandatory contributions for social insurance and pension capital of the person by applying to the self-employed person the mandatory contribution rate specified in Section 18, Paragraph two of this Law.

[*8 December 2021; 1 December 2022*]

96. A person who earns income from intellectual property shall make the minimum mandatory contributions to State pension insurance in the amount of 10 per cent of the difference to the minimum amount of the object of mandatory contributions for a period from 1 January 2022 to 31 December 2023.

[*8 December 2021; 1 December 2022*]

97. Section 19, Paragraph five of this Law shall come into force on 1 January 2025.

[*31 March 2022* / *Paragraph five shall be included in the wording of the Law as of 1 January 2025*]

98. For the period from 1 July 2022 to 31 December 2024, the mandatory contributions from the disability, maternity, and sickness special budget for the person who takes care of a child who has not attained the age of one year or one and a half years and receives a parental benefit and concurrently a childcare benefit shall be made for the pension, unemployment, and invalidity insurance of such person from the object of mandatory contributions which is formed by the sum of the parental benefit and a childcare benefit.

[*31 March 2022*]

**Informative Reference to European Union Directives**

[*20 December 2010; 20 December 2012; 13 March 2014; 22 September 2016*]

This Law contains legal norms arising from:

1) [20 December 2012];

2) Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals;

3) Directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC;

4) Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State;

5) Directive 2014/36/EU of the European Parliament and of the Council of 26 February 2014 on the conditions of entry and stay of third-country nationals for the purpose of employment as seasonal workers;

6) Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014 on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer.

The Law shall come into force on 1 January 1998.

The Law has been adopted by the *Saeima* on 1 October 1997.

Acting for the President, Deputy Chairperson of the *Saeima* A. Ameriks

Rīga, 21 October 1997