

**SECOND REPORT**  
**ON THE NON – ACCEPTED PROVISIONS**  
**OF THE EUROPEAN SOCIAL CHARTER**  
**LATVIA**

**Article 4 – The right to a fair remuneration**

With a view to ensuring the effective exercise of the right to a fair remuneration, the Parties undertake:

**1. to recognise the right of workers to a remuneration such as will give them and their families a decent standard of living**

According to Article 107 of the Constitution of the Republic of Latvia (Satversme) every employed person has the right to receive, for work done, commensurate remuneration which shall not be less than the minimum wage established by the State.

In addition, Paragraphs one and two of Article 7 of the Labour Law prescribe the following:

“(1) Everyone has an equal right to work, to fair, safe and healthy working conditions, as well as to fair remuneration.

(2) The rights provided for in Paragraph one of this Article shall be ensured without any direct or indirect discrimination - irrespective of a person's race, skin colour, gender, age, disability, religious, political or other conviction, ethnic or social origin, property or marital status, sexual orientation or other circumstances.”

For its part, Article 29 of the Labour Law determines prohibition of differential treatment when establishing employment relationship, as well as during the period of existence of employment relationship, in particular when promoting an employee, determining working conditions, remuneration or occupational training or further education, as well as when giving notice of termination of an employment contract. Differential treatment in employment relationship is prohibited based on the gender, race, skin colour, age, disability, religious, political or other conviction, ethnic or social origin, property or marital status, sexual orientation of an employee or other circumstances.

Also, Article 60 of the Labour Law determines the requirement for equal remuneration prescribing the following:

“(1) An employer has the obligation to specify equal remuneration for men and women for the same kind of work or work of equal value.

(2) If an employer has violated the provisions of Paragraph one of this Article, the employee has the right to request the remuneration that the employer normally pays for the same work or for work of equal value.

(3) An employee may bring the action referred to in Paragraph two of this Article to court within a three-month period from the day he or she has learned or should have learned of the violation of the provisions of Paragraph one of this Article.”

As regards minimum monthly wage, pursuant to Article 61 of the Labour Law:

“(1) A minimum wage shall not be less than the minimum level determined by the State.

(2) The amount of minimum monthly wage within the scope of regular working time, as well as calculation of minimum hourly wage rate shall be determined by the Cabinet of Ministers.

(3) The procedures for the determination and review of the minimum monthly wage shall be determined by the Cabinet of Ministers.

(4) A minimum wage determined by the general agreement entered into in accordance with Article 18, Paragraph four of this Law shall have the same legal consequences within the scope of employment relationship as a minimum wage determined by the State.<sup>1</sup>”

Besides, Paragraphs three and four of Article 68 of the Labour Law determine the following:

“(3) With the general agreement, which has been entered into in conformity with Article 18, Paragraph four of this Law and provides for a substantial increase in the minimum wage or hourly rate specified by the State in the sector in the amount of at least 50% above the minimum wage or hourly rate specified by the State, the amount of the supplement for overtime work may be determined less than that specified in Paragraph one of this Article but not less than in the amount of 50% of the hourly rate specified for the employee, moreover where a piecework wage has been agreed upon, a supplement of not less than 50% of the specified piecework rate for the amount of work done.

(4) If the State determines the minimum wage or hourly rate in such amount that the amount of the minimum wage or hourly rate specified within the framework of the general agreement in force in the sector no longer complies with the criterion referred to in Paragraph three of this Article, and if the supplement for overtime referred to within the framework of the general agreement in question has been determined in a smaller amount than the amount specified in Paragraph one of this Article, amendments shall be made to the relevant general agreement in such a way as to ensure compliance with Paragraph three of this Article. If the abovementioned amendments are not made, the general agreement shall cease to be valid one year after the date of the occurrence of the non-compliance.”<sup>2</sup>

The amount of the minimum monthly wage is reviewed regularly (once a year), but considering that (based on evaluation of a set of criteria relating to situation in the economy) the Cabinet of Ministers can also decide to maintain the amount of the minimum monthly wage for the next year at current level, the increase of the amount of the minimum monthly wage is not always regular.

The Ministry of Welfare, together with the Ministry of Finance and the Ministry of Economics, evaluates the economic situation in the country every year and develops proposals for the amount of the minimum monthly wage for the next year.

The Ministry of Welfare submits the proposal (usually several options are proposed, including the analytical basis) to the Social Security Sub-Council of the National Tripartite Cooperation Council (hereinafter - NTCC) for consideration. After this the

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<sup>1</sup> Article 61 was supplemented with Paragraph four by the amendments of 27 May 2021 to the law (the amendments came into force on 1 August 2021)

<sup>2</sup> Article 68 was supplemented with Paragraphs three and four by the amendments of 28 March 2019 to the law (the amendments came into force on 1 May 2019)

Ministry of Welfare submits a proposal to the National Tripartite Cooperation Council (hereinafter - NTCC) for consideration.

NTCC invites the Latvian Association of Local and Regional Governments to provide their view in the meeting of the NTCC. Following reviewing of the proposal at the NTCC, the Ministry of Welfare submits it to the Cabinet of Ministers. The Cabinet of Ministers can make a decision on maintaining the minimum monthly wage for the following year at the previous level, but if the Cabinet of Ministers makes a decision on raising the minimum monthly wage for the following year, the Ministry of Welfare prepares amendments to the Regulation of the Cabinet of Ministers No.656 of 24 November 2015 "Regulations Regarding Amount of the Minimum Monthly Wage within the Framework of Normal Working Time and Calculation of the Minimum Hourly Wage Rate".

On 15 December 2022, amendments were adopted to the Regulation of the Cabinet of Ministers No.656 of 24 November, 2015 "Regulations Regarding Amount of the Minimum Monthly Wage within the Framework of Normal Working Time and Calculation of the Minimum Hourly Wage Rate", which stipulate that the minimum monthly wage within normal working hours starting from 2023 is EUR 620.

In addition, extraordinary amendments were made to the Labour Law in 2022, stating that according to the Labour Law the minimum monthly wage has to be at least EUR 620 from 1 January 2023 and EUR 700 from 1 January 2024.

In order to transpose the Directive (EU) 2022/2041 on adequate minimum wages in the European Union into national legislation, changes are being prepared to the relevant regulatory act, which determines procedures for the determination and review of the minimum monthly wage.

Several general agreements governing work remuneration issues have been concluded:

- On 9 April 2019 the general agreement in the railway sector was extended for five years. The agreement on the extension of the term was signed by the chairman of the board of the Latvian Railway and Transport Industry Trade Union and the chairman of the board of the Latvian Railway Employers' Organization. This general agreement is binding to all undertakings whose activities are connected with railway or operation of railway transport. The general agreement sets out the minimum amount of obligations and guarantees of the parties, which can be supplemented by collective agreements to be concluded between the employer and the trade union.

- On 3 November 2019 the general agreement concluded between the Latvian Building Sector's Trade Union and three employers' organizations and their members: Partnership of the Latvian Building Contractors, the Latvian Builders' Association, the Latvian Road Builders, and individual companies, entered in force.

The agreement covers all the employers and employees within the construction sector. For employees, the agreement provides a minimum wage increase amounting to EUR 780 per month and a monthly supplement of 5% of sectorial minimum wage (EUR 39) for professional and higher qualification obtained provided educational documentary proof is presented. Employers, on the other hand, will be entitled to define a 6 months' aggregated working time reference period and to compensate for overtime work at 50% of the wage amount instead of 100% provided by the Labour Law. In addition, the agreement establishes the sectorial committee respecting the equal representation principle. The committee reviews various issues related to the interpretation of the agreement, as well as disputes arising from it.

- On 17 December 2019 chairman of the board and member of the board of the joint-stock company Valmiera glass (akciju sabiedrība "Valmieras stikla šķiedra") and the Latvian Industrial Workers Trade Union signed a general agreement in the glass fibre industry. The purpose of this general agreement is to promote mutual collaboration in the development of social dialogue to ensure labour rights, labour protection, labour productivity and favourable social environment for employees and to enable sustainable and competitive growth of the glass fibre industry and regulation of the business environment. This general agreement is binding for all employers in the glass fibre industry. The agreement sets minimum remuneration levels for employees in the glass fibre sector: for the highest qualification level with minimum amount at least 2.5 times of the 2019 minimum wage; for the medium qualification level at least 2 times and for the lowest qualification level at least 20% higher than the 2019 minimum wage.

Considering the inflation pressures and envisaged tax reforms including taxation on labour, thresholds and tax fee minimums under discussion as indicated by Free Trade Union Association, it is difficult to make forecasts regarding compliance. Therefore, it is not possible to undertake commitments at this stage.

## **Article 12 – The right to social security**

With a view to ensuring the effective exercise of the right to social security, the Parties undertake:

### **3. to endeavour to raise progressively the system of social security to a higher level;**

Since 2021 the minimum income provision entered into force stipulating that a relative method is used further in calculating the minimum income. The relative method envisages calculating several minimum income thresholds – GMI threshold, needy household's income threshold, low - income household's income threshold, minimum state pensions (old age, disability and survivor's pension) amounts and state social security benefit amounts (both for persons with disability and for old-age pensioners, as well as for survivors) - as a percentage of the median income (according to the equivalence scale chosen by Latvia - 1, 0.7, 0.7). However, in 2021 and 2022 the minimum income thresholds in legal acts were set in EUR (absolute numbers) and not as percentage, although these amounts were calculated as percentage. However, from 2023 there was a shift from the minimum income threshold set in EUR to a percentage of the median minimum income. The new minimum income thresholds entered into force on 1 July 2023 and will be revised in January each year from 2024 onwards.

The Law on Social Security provides for the minimum income threshold to be fixed at a minimum of 20% of the median income. In addition, it has to be reviewed annually and not as before - in 2021 un 2022 - at least every three years. The legislative framework provides for the establishment of a methodologically justified minimum income level corresponding to the socio-economic situation, and is in conformity with the judgments of the Constitutional Court establishing the need to link the minimum income thresholds to a specific socio-economic indicator.

The Constitutional Court (Case No 2020-07-03) made a reference to Article 12 paragraph 1, stating that in respect of countries which have not yet reached the level required by Article 12 paragraph 1, Article 12 paragraph 3 prompts them to improve the system with a view to reaching the said level. The minimums social security amount

has to reach at least 50% of median income. If it is below 40%, the protection level for old-age pensioners is inadequate.

The Law on Social Security provides that from 1 July 2023 the minimum income threshold shall not be lower than 20% of the median income. In the area of social protection, differentiated minimum income thresholds are established, they apply to the beneficiaries of state social security benefits, to recipients of minimum old-age and disability pensions and to recipients of social assistance benefits in municipalities. As a result, five laws governing social protection were amended.

The minimum income thresholds, set as a percentage of the median income, are different for different social groups, and are subject to different coefficients and also vary according to the specific disability group and employment situation of a disabled person.

The calculation basis of the minimum old-age pension and disability pension is 25% of the median income, and for persons with disabilities from childhood - 30% of the median income. The amount of the minimum survivor's pension for each child from birth until reaching the age of seven will be 25 % of the median income, for a child from the age of seven - 30% of the median income.

The minimum income thresholds provided within the framework of municipality social assistance for a household are calculated by applying a coefficient of 1 for the first or single person in the household, and for other persons - a coefficient of 0.7. Accordingly, the guaranteed minimum income (GMI) threshold is 20% of the median income or EUR 125 for the first or single person in the household and EUR 87,5 for other persons in the household. The income threshold for a needy household will be 50% of the median income or EUR 313 for the first or single person in the household and EUR 219 for other persons in the household. Each municipality can set the income threshold of a low-income household not higher than 80% of the median income or EUR 501 for the first or single person in the household and EUR 351 for other persons in the household.

The GMI threshold is also used in calculation formula for housing benefit. Different coefficients are applied to the sum of the GMI thresholds for the calculation of housing benefit amount for a household, depending on its composition: for a person in retirement age or a person with disabilities living separately- a coefficient of 2.5 for a household with only persons in retirement age or persons with disabilities, a coefficient of 2 for a household with only persons in retirement age or persons with disabilities and children, a coefficient of 2, and a coefficient of 1.5 for other household types.

The legislative framework stipulates that the state provides a targeted grant to municipalities in the amount of 30% of the amount of GMI and housing benefit paid to households. The Law also provides that minimum income thresholds are not reviewed if the median minimum income decreases in the reference year.

Also, the minimum object of mandatory state social insurance contributions (hereinafter - the minimum object of mandatory contributions) has been introduced for employees and self-employed (in a quarter it amounts to three minimum monthly wages – 500 EUR in 2021 and 2022, 620 EUR in 2023) since 1 July 2021.

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, the mandatory contributions from the difference between the amount of three minimum monthly wages and the declared object of mandatory contributions is made by the employer from its own funds.

If mandatory contributions of a self-employed person for a calendar year have been made from income less than 12 minimum monthly wages, the self-employed person makes the minimum mandatory contributions to pension insurance in the amount of 10% from the difference of the income and the minimum object of mandatory contributions.

Therefore, these persons are socially insured in case a social risk materializes at least on minimum level. At the same time, there are also several groups of persons who are exempted from making the minimum mandatory contributions (like pensioners, persons with disabilities, students).

From 2021, the special regime for persons paying patent fees and beneficiaries of royalties has been discontinued (as of 2022 for some specific exceptions). These persons can now register their business under alternative regime or use the general tax and contribution regime.

Since the minimum object of mandatory contributions has been implemented, the minimum amount of unemployment benefits gradually increases. However, the amounts of unemployment benefits may for part of beneficiaries still be inadequate to be in conformity with provisions of Article 12.

Thus, the introduction of the object of minimum mandatory contributions does not always ensure the receipt of adequate amount of social benefits.

In order to transpose the Directive (EU) 2019/1158 on work-life balance for parents and carers, several changes have been made in relation to the parental benefit to provide an opportunity for both parents to be equally involved in child care.

Notwithstanding the above mentioned developments, the benefit and pension amounts still have not reached the level of social security required in Article 12 paragraph 1 and are inadequate compared to the standard.

There are immature plans to introduce basic pensions, which still have to materialize before undertaking additional commitments. In addition, full pension can be drawn already after a qualification period of 15 years which makes increases in levels challenging.

Quite wide coverage regarding pensions is in place, considering the qualification periods and entitlements to state social security benefits in case social insurance records are not sufficient to draw a pension which adds challenges regarding reaching 40-50% of median income.

**4. to take steps, by the conclusion of appropriate bilateral and multilateral agreements or by other means, and subject to the conditions laid down in such agreements, in order to ensure:**

- a. equal treatment with their own nationals of the nationals of other Parties in respect of social security rights, including the retention of benefits arising out of social security legislation, whatever movements the persons protected may undertake between the territories of the Parties;
- b. the granting, maintenance and resumption of social security rights by such means as the accumulation of insurance or employment periods completed under the legislation of each of the Parties.

Please see information provided under the previous paragraph regarding health care.

Regarding social security, Latvia has concluded new bilateral agreement with Guernsey. Latvia implements the European Union social security coordination regulations and the respective European Union agreements with the United Kingdom. A bilateral agreement with Moldova is under preparation. Also, a world-wide pension export is being contemplated, that will benefit nationals of Contracting Parties. Additional social security rights have been granted to third country nationals who have been working in the European Union Member States as several issues have been addressed at the European Union level and transposed into the Latvian regulatory framework (for example, the rights of seasonal workers and highly qualified workers, etc.).

In addition, there is EU legal framework providing for equal treatment for certain categories of migrant workers – third country nationals.

However, currently nationals of non- EU Contracting Parties of the Charter still do not enjoy full equal treatment, they have no possibility to accumulate the insurance periods or retain benefits, therefore Latvia is not in compliance with the provisions of this Article. It should be noted that binding provisions of the Charter are used in court proceeding.

#### **Article 19 – The right of migrant workers and their families to protection and assistance**

With a view to ensuring the effective exercise of the right of migrant workers and their families to protection and assistance in the territory of any other Party, the Parties undertake:

#### **2. to adopt appropriate measures within their own jurisdiction to facilitate the departure, journey and reception of such workers and their families, and to provide, within their own jurisdiction, appropriate services for health, medical attention and good hygienic conditions during the journey;**

The situation with regard to Article 19 has not changed since the last report.

Regarding health care in accordance with the Law on the Rights of Patients, Article 3, in ensuring the rights of patients, differential treatment based on a person's race, ethnic origin, skin colour, gender, age, disability, state of health, religious, political or other persuasion, national or social origin, property or marital status or other circumstances is prohibited. Differential treatment shall include the direct or indirect discrimination of a person, infringement of a person or an implication to discriminate him/her.

According to the Health Care Financing Law<sup>3</sup>, everyone has the right to receive emergency medical assistance. The citizens of the Republic of Latvia, non-citizens, foreigners holding a permanent residence permit and persons granted stateless status in Latvia as well as refugees and persons with alternative status and persons socially covered by health insurance in accordance with the Social Insurance Act are entitled to the minimum amount of state-sponsored medical assistance (emergency medical aid, maternity care, general medical care services and treatment of illness).

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<sup>3</sup> <https://likumi.lv/ta/en/en/id/296188-health-care-financing-law>

To receive a temporary residence permit, a foreigner has to submit a document confirming that he/she has valid health insurance, which guarantees the payment of health care during the period when a foreigner is staying in the Republic of Latvia.

For persons holding a temporary residence permit, the Law on Social Services and Social Assistance does not allow for the right to social services and social assistance provided by the municipality. To receive a temporary residence permit, a foreign worker must present a document proving the necessary means of subsistence to reside in Latvia.

Considering the fact that migrant workers and their family members who have been granted a temporary residence permit, including children, do not have the possibility to receive state-guaranteed health care and social assistance (except for persons who have been granted alternative status in the Republic of Latvia), the ratification of Article 19 paragraph 2 has not been possible so far.

The legislation provides two ways for a migrant worker to enter Latvia:

- 1) if he/she comes from a country whose citizens do not need a visa or they have a residence permit in another member State of the European Union, the European Economic Area or Switzerland, it is possible to enter the Republic of Latvia and submit the relevant documents to the territorial office of the Office of Citizenship and Migration and receive a temporary residence permit in accordance with the Immigration Act and Regulation No. 564 of 21 June 2010 on residence permits;
- 2) if the migrant worker is from a country whose citizens require a visa, the necessary documents must be submitted to the diplomatic or consular representation of the Republic of Latvia in the foreign country concerned, who shall forward these documents to the Office of Citizenship and Migration.

The different conditions for logging documents for migrant workers make acceptance of this Article difficult.

In the Law on Social Services and Social Assistance, Article 3 "Right to Social Services and Social Assistance" it is stated that the right to receive social services and social assistance specified in this Law shall be enjoyed by the following persons residing in the Republic of Latvia:

- 1) citizens and non-citizens of Latvia;
- 2) third-country nationals who have received a permanent residence permit or who have been granted the status of a permanent resident of the European Union in the Republic of Latvia;
- 3) citizens of the European Union Member States, European Economic Area states and the Swiss Confederation who:
  - a) have obtained the right of permanent residence;
  - b) are entitled to reside in the Republic of Latvia and who have stayed in the Republic of Latvia for at least three months;
  - c) who have stayed in the Republic of Latvia for at least six months if entering into employment relationships in the Republic of Latvia has been the purpose of their stay,



and their attempt to find a job is attested by registration thereof in the State Employment Agency;

4) family members of the persons referred to in Clauses 1, 2, and 3 of the Article 3.

5) Persons who reside in the Republic of Latvia and to whom an alternative status has been granted, and also family members of these persons who reside in the Republic of Latvia shall have the right to receive the basic social assistance benefits, shelter and night shelter services referred to in this Law, and also information and consultations from the social service office.

Paragraph 2 Article 19 of the Revised Charter obliges states within their jurisdiction to adopt appropriate measures to facilitate the departure, journey and reception of such workers and their families, and to provide, within their own jurisdiction, appropriate services for health, medical attention and good hygienic conditions during the journey.

It should be noted that currently the national regulatory acts of Latvia comply with both the international obligations assumed by Latvia and the requirements of the European Union in the field of migration.

Several issues related to the migration of workers have been regulated at the European Union level, providing for fast, simplified and migration-oriented procedures, which have been transposed into the Latvian regulatory framework (for example, the right of seasonal workers and highly qualified workers to enter and work in the European Union member states; the right of employees to enter and work in European Union member states in connection with transfer within the company; involvement of individuals in voluntary work programs).

At the same time, the Immigration Law provides for several mechanisms promoting the migration of workers, for example, a foreigner has the right to receive a long-term visa if the issuance of the visa is related to employment in the Republic of Latvia or stay in the Republic of Latvia, performing remote work at an employer registered in another member state of the Organization for Economic Cooperation and Development or also as a self-employed person registered in a member state of the Organization for Economic Cooperation and Development.

Currently the Ministry of Interior is not established need for additional systematic facilitation regarding the reception, departure and journey of working migrants, thus the Ministry of Interior does not consider it useful to ratify Paragraph 2 of Article 19 of the Revised Charter.

**Temporary residence permits issued to third  
country nationals in respect of employment according to data provides by Office of  
Citizenship and Migration Affairs**

	<b>Number of employees</b>	<b>Number of family members</b>
2015	1437	329
2016	1518	409
2017	1879	562
2018	3293	614
2019	4293	755
2020	2461	399
2021	3524	772
2022	3369	747

Data source: Ministry of Interior

In 2015 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, India and China;

In 2016 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, China and United States of America;

In 2017 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, China and India;

In 2018 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Belarus, Russia, Uzbekistan and Georgia;

In 2019 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, Uzbekistan and India;

In 2020 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, Uzbekistan and Georgia;

In 2021 most first-time residence permits for employment purposes issued to: citizens of Ukraine, Russia, Belarus, Uzbekistan and India;

In 2022 most first-time residence permits for employment purposes issued to: citizens of Uzbekistan, Ukraine, Russia, India and Belarus.

Persons who legally live and work in Latvia (migrant workers) and their family members, incl. due to the Russia's war in Ukraine, the citizens of Ukraine living in Latvia, have the same rights to receive state-funded health care services as the permanent residents of Latvia, receiving a wide range of health care services paid from the State budget.

At the same time, housing and support measures are available at the Asylum Seekers Center in Mucenieki<sup>4</sup> for asylum seekers - both employed and unemployed - who cannot or have not found housing. The hygiene requirements for the accommodation center for asylum seekers are defined Regulations of the Cabinet of Ministers No. 489, adopted on 26 July 2016, "Internal Rules of Procedure of the Accommodation Centre for Asylum Seekers"<sup>5</sup>. At the same time at the aforementioned Asylum Seekers Accommodation Center it is also possible to receive preventive health care.

The order in which the asylum seeker's health condition is checked and sanitary treatment is carried out, as well as their results are recorded, is regulated in Regulations of the Cabinet of Ministers No. 686, adopted on 21 November 2017, "Procedures for Performing Health Examination and Sanitary Treatment of an Asylum Seeker, and also for Registering the Results Thereof"<sup>6</sup>.

### **3. to promote co-operation, as appropriate, between social services, public and private, in emigration and immigration countries;**

With regard to the co-operation between social services of emigration and immigration states, for citizens of the EU/EEA or the Swiss Confederation, the information is exchanged and co-ordinated between the different service providers (including between the employment services involved in the EURES network, the national contact points in the framework of posting of workers, social security institutions, etc.).

Latvia has concluded bilateral co-operation agreements with individual countries in the field of social security, which provides for the principle of aggregation of social

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<sup>4</sup>[https://www.pmlp.gov.lv/lv/patveruma-mekletaju-centrs?utm\\_source=https%3A%2F%2Fwww.google.com%2F](https://www.pmlp.gov.lv/lv/patveruma-mekletaju-centrs?utm_source=https%3A%2F%2Fwww.google.com%2F)

<sup>5</sup> <https://likumi.lv/ta/en/en/id/283809-internal-rules-of-procedure-of-the-accommodation-centre-for-asylum-seekers>

<sup>6</sup> <https://likumi.lv/ta/en/en/id/295255-procedures-for-performing-health-examination-and-sanitary-treatment-of-an-asylum-seeker-and-also-for-registering-the-results-thereof>

insurance periods. However, in current geopolitical situation such co-operation has limitations.

In addition, there is EU legal framework providing for equal treatment for certain categories of migrant workers – third country nationals.

In other cases, there is no formal cooperation between social service providers. However, if necessary and especially for minors, Latvia will use the mechanisms of international cooperation available to solve social problems and involve the INGO "International Social Service" if it is necessary to contact the State or municipality in the country of emigration, etc.

Social services and social assistance are provided by municipalities, and the right to these services is granted to beneficiaries of the permanent residence permit. However, laws and regulations do not prevent municipalities from providing social support to other foreigners, including those with temporary residence permits.

Please also see information provided under the previous paragraph.

### **Article 23 – The right of elderly persons to social protection**

With a view to ensuring the effective exercise of the right of elderly persons to social protection, the Parties undertake to adopt or encourage, either directly or in co-operation with public or private organisations, appropriate measures designed in particular:

**– to enable elderly persons to remain full members of society for as long as possible, by means of:**

a. adequate resources enabling them to lead a decent life and play an active part in public, social and cultural life;

Strategy for Social protection and Labour Market Policy 2021-2027 (hereafter – Strategy)<sup>7</sup> approved by the Government on September 2021, covers deinstitutionalization issues, social service provision for people leaving institutions, and partly - some accessibility issues for persons with disabilities. One of the directions of actions set in the Strategy is a modern and accessible system of social services, which, among other things, improves the ability of citizens to live independently and live in society, to enter education and the labour market. The primary focus is on the development of community-based services, facilitating the transition of people to community-based or family-friendly services. The provision of social services tailored to needs promotes individual participation in education and the labour market- the most important areas of life for independent living.

See also information provided under Article 31.

Since 2021, the Ministry of Welfare is developing and piloting methodology on social work in communities to address growing social challenges in the society, including inequality, poverty and loneliness of elderly people.

Various studies have shown that Latvia has a very low level of social activism and society involvement as well as lack of mutual trust and cooperation. Therefore, the

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<sup>7</sup> Available at: <https://likumi.lv/ta/id/325828-par-socialas-aizsardzibas-un-darba-tirgus-politikas-pamatnostadnem-2021-2027-gadam>

proposed model in methodology is based on widely spread approach in Austria, Germany and German-speaking part of Switzerland called “social space orientation” (Sozialraumorientierung). During the pilot project the model is adapted to the situation of various municipal communities in Latvia. It highlights very practical social work objectives, which are relevant in the context of identified social problems and within social work practice.

The methodology includes an explanation what social work in the community is and offers broad description of its processes and methods, as well as a practical training course for social workers.

b. provision of information about services and facilities available for elderly persons and their opportunities to make use of them;

### **Retirement**

Latvian laws and regulations on old-age pensions are as follows:

- Law on State Pensions;
- Regulations of the Cabinet of Ministers “On insurance periods, on calculating old-age pensions and payout timeframes, on the European Union pension scheme, on state social insurance benefit amounts, and on old-age pension payments if you move abroad”.

The old-age pension is granted to persons who have reached the statutory retirement age and accrued the required social insurance contribution periods. In 2023, the retirement age for both men and women is 64 years and 6 months, and the minimum period for which social insurance contributions must be made is 15 years.

The retirement age is gradually increasing by 3 months every year, reaching 65 years on 1 January 2025. Starting from 1 January 2025, the minimum insurance record necessary to receive an old-age pension will be 20 years.

Latvia has a three-tier pension system:

- the first tier comprises mandatory social insurance contributions, and all payers are participants.
- the second tier consists of mandatory social insurance contributions which are invested by an intermediary (a bank) in the financial market. The profits thus earned remain as part of the accrued pension. The second tier is mandatory for all social insurance contributors born after 1 July 1971. Persons born between 2 July 1951 and 1 July 1971 can voluntarily join the second tier.
- the third tier comprises voluntary contributions made by the employer and employee into a private pension fund, which are then further invested in the financial market. The contributor can receive this pension at age 55, i.e. before reaching the legally mandated retirement age.

Persons who move abroad can continue receiving the old-age pension.

Persons whose insurance period is at least 30 years are entitled to take early retirement - 2 years before reaching the legal retirement age. In 2023, people who have reached the age of 62 years and 6 months can retire early.

All pensions are revised annually, usually on 1 October. The pension or part of it (which does not exceed 50% of the average wage subject to insurance contributions in the State: EUR 470 in 2021, EUR 534 in 2022, full pension amount is indexed for politically repressed persons, Chernobyl NPP nuclear clean-up participants, persons with the I disability group), is indexed to the actual consumer price index and 50% of percentage

of the real increase in the social insurance contribution wage sum. However, a higher percentage of the real increase in the social insurance contribution wage sum is applied to old age pensions, including minimum old age pensions, with long insurance period. Namely, 60% - if the insurance period is between 30 and 39, as well as to those pensions awarded for work in hazardous and hard-working conditions or particularly hazardous and hard-working conditions, 70% - if the insurance period is between 40 and 44 and 80% - if the insurance period is 45 years or more.

Indexation of pensions is provided by the State Social Insurance Agency, which has all the necessary data and the conversion is done automatically.

The pension amount depends on the person's social insurance contribution period, the amount of social insurance contributions made and the person's age.

Since 2021 the minimum income reform was implemented and the minimum old age pension since 1 July 2023 calculation base is set at EUR 157 (25% of median income), for persons with disabilities since childhood EUR 188 (30% of median income). The amount of the minimum old-age pension is calculated considering each year of insurance record, applying a coefficient 1.1 to the basis of the minimum old-age pension and increasing the amount by 2% of the base for each subsequent year exceeding required minimum insurance period for granting the old age pension (currently - 15 years).

The old-age pension is paid monthly. Personal income tax is withheld from the old-age pension. The tax-free threshold is EUR 6000 per year (EUR 500 per month).

### **Survivor's Allowance**

Currently, the Law on State Pensions stipulates that in the event of the death of the recipient of the pension, the surviving spouse, who is also the beneficiary of the pension, will receive 50% of the deceased spouse's pension for 12 months, including the insurance premium granted to him/her until 31 December 1995.

### **Funeral benefits**

Latvian laws and regulations on funeral benefits are the following:

State Social Allowances Act;

Law on State Pensions;

Compulsory Social Insurance in respect of Accidents at Work and Occupational Diseases Act;

Maternity and Sickness Insurance Act;

Unemployment Insurance Act;

Regulations of the Cabinet of Ministers "On mandatory social insurance against workplace accidents and work-related illnesses, and on the amount of state social insurance benefits and funeral benefits".

The following persons are entitled to receive the funeral benefit:

- an insured person in the case of death of a family member who was dependent on this person;

- a family member of an insured person or a person who has actually undertaken the funeral arrangements if the deceased person was an insured person, an unemployed, a receiver of pension or state social insurance benefit.;

- a family member or a person who has undertaken the funeral arrangements if the insured person or a dependent family member has died within one month after the end of the contribution period.

Funeral benefits are also paid out if the socially insured person or his/her family member has died within 1 month of the expiry of the social insurance contribution period.

Amounts of funeral benefits:

- in the event of the death of an insured person - double the average contribution wage of the deceased;
- in the event of the death of a pensioner or recipient of benefits for the loss of work capacity - double the pension or benefits;
- in the event of the death of a dependent family member or unemployed person - triple the amount of state social security benefits (EUR 375);
- in the event of the death of a recipient of state social security benefits - double the amount of state social security benefits (EUR 250).

If the insured person was the recipient of a pension, compensation or state social security benefits, the payout is one benefit amount - in the largest amount.

The aforementioned benefits are paid out one time only.

### **Minimum resources benefits - State social security benefits**

Latvian laws on claiming minimum resources benefits are the following:

Law on State Social Allowances;

Law on Social Services and Social Assistance.

The minimum resources benefits granted in Latvia are intended for underprivileged persons and persons without rights to old-age or disability pensions.

Persons who have contributed to the insurance for less than 15 years and who are therefore not entitled to an old-age pension, in accordance with the Law on State Social Allowances, receive social security benefits from the State.

A person who is not entitled to a State old-age pension, is entitled to a social security benefit from the date on which he/she reached the retirement age, stipulated in the Law on State Pensions. The amount of this allowance is currently EUR 125 per month.

**– to enable elderly persons to choose their lifestyle freely and to lead independent lives in their familiar surroundings for as long as they wish and are able, by means of:**

a. provision of housing suited to their needs and their state of health or of adequate support for adapting their housing;

Home adaptations in a very limited extent are currently available only for elderly persons with disabilities. In some municipalities it is possible to adapt housing for persons with dementia with monitoring technical aids and safety buttons.

b. the health care and the services necessitated by their state;

Regarding health care, as required by Law on the Rights of Patients<sup>8</sup>, Article 5, in accordance with the procedures specified in the Medical Treatment Law, each person has a right to receive medical treatment corresponding to the state of health. A patient has the right to a respectful attitude and qualitative and qualified medical treatment regardless of the nature and severity of his/her disease.

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<sup>8</sup> <https://likumi.lv/ta/en/en/id/203008-law-on-the-rights-of-patients>

Also, in accordance with the Law on the Rights of Patients, Article 3, in ensuring the rights of patients, differential treatment based on a person's race, ethnic origin, skin colour, gender, age, disability, state of health, religious, political or other persuasion, national or social origin, property or marital status or other circumstances is prohibited. Differential treatment shall include the direct or indirect discrimination of a person, infringement of a person or an implication to discriminate him/her.

State-paid health care services within the framework of the State mandatory health insurance are provided to wide population groups, including socially insured persons, children, the unemployed, persons with disabilities, persons granted an old-age pension, persons receiving services in long-term social care and social rehabilitation institutions, and other population groups specified in the Health Care Financing Law<sup>9</sup>.

Moreover, according to Health Care Financing Law everyone has the right to receive the emergency medical assistance. Also, not only persons, who has the right to receive state-paid health care services within the framework of the State mandatory health insurance, but all citizens of Latvia, non-citizens of Latvia, foreigners who has a permanent residence permit in Latvia, stateless persons (to whom the status of the stateless person has been granted in the Republic of Latvia), detained persons, refugees or persons to whom the alternative status has been granted and asylum seekers have the right to receive the State paid medical assistance minimum, including emergency medical assistance, birth assistance, including care for pregnant women, and also postnatal care for a woman who has recently given birth and for a newborn, health care provided by a general practitioner and the medical practitioners employed at his/her practice (including preventive examinations and vaccination), measures of cancer screening organised by the State, laboratory testing and other diagnostic examinations, medicinal products and medical devices as well as other health care services determined by the Regulations of the Cabinet of Ministers No. 555, adopted on 28 August 2018, "Procedures for the Organisation of and Payment for Health Care Services"<sup>10</sup>.

To prevent the loss of housing because a person cannot pay for it, it is possible to apply for and receive social assistance benefits in the respective municipality.

One of the basic social assistance benefits is the housing benefit, which is granted and paid to cover expenses related to the use of housing. Low-income household status is not required to receive housing benefit. The amount of the housing benefit is calculated as the difference between the sum of the thresholds of the guaranteed minimum income (hereinafter - GMI) for the household and the actual expenses and the total income of the household. From 1 January 2021 to 30 June 2023 the GMI threshold is set at EUR 109 for the first or single person in the household and EUR 76 for the other persons in the household. In accordance with the provisions of the Law on Measures to Reduce the Extreme Increase in Energy Prices, when calculating the amount of the housing allowance, for the period from 1 October 2022 to 31 May 2023, a coefficient of 3 is applied to the sum of GMI thresholds for a household, which gives the opportunity to receive a housing allowance for a larger number of households with higher income.

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<sup>9</sup> <https://likumi.lv/ta/en/en/id/296188-health-care-financing-law>

<sup>10</sup> <https://likumi.lv/ta/en/en/id/301399-procedures-for-the-organisation-of-and-payment-for-health-care-services>

From 1 June 2023, municipalities, when calculating the amount of the housing benefit, apply the following coefficients to the sum of the guaranteed minimum income thresholds, which is not a fixed-term measure but a permanent legal norm:

- 1) for a person of retirement age living alone or a person living alone with a disability - a coefficient of 2.5;
- 2) for a household with only persons of retirement age or persons with disabilities, a coefficient of 2;
- 3) for a household with persons of retirement age or persons with disabilities and children, a coefficient of 2;
- 4) for other households - a coefficient of 1.5.

From 1 July 2023, the minimum income thresholds for providing social assistance are determined as a percentage, rounded up to whole EUR, from the median of the minimum income per one equivalent consumer per month published on the website of the Central Statistics Office (hereinafter - median income).

The amounts of the minimum income thresholds for the household are calculated by applying the following coefficients to the relevant income threshold:

- 1) for the first or single person in the household - coefficient 1;
- 2) for other persons in the household - a coefficient of 0.7.

From 1 July 2023 the guaranteed minimum income threshold is 20% of the median income and is 125 EUR for the first or only person in the household and 87.50 EUR for each subsequent person in the household.

The Law on Social Services and Social Assistance defines a shelter as a social institution that provides persons without a defined place of residence or persons in a crisis situation with the possibility of short-term residence, food, opportunities for personal hygiene and the services of social work specialists.<sup>11</sup> A night shelter is a social institution providing lodging, dinner and personal hygiene opportunities for persons without a defined place of residence or persons in a crisis situation.<sup>12</sup> Requirements for shelter and night shelter service providers are set in the Regulation of the Cabinet of Ministers No. 338 "Requirements for Social Service Providers", adopted on June 2017.

In accordance with Article 9, part 1 and 3 of the Law on Social Services and Social Assistance the municipality in the territory of which a person has his/her declared place of residence has an obligation to provide the person with a possibility to receive social services and social assistance corresponding to his/her needs. If a person requires social services in a night shelter or a crisis center, he/she shall turn directly to the service provider who takes a decision on the provision of a service. If necessary, the municipality, in the territory in which a person without a home is located, shall ensure the person with night shelter or shelter, information and consultations, and also single material assistance.

To provide support to the population in solving social problems, as well as the possibility to receive social assistance and social services is one of the autonomous functions of a municipality.<sup>13</sup> A municipality performs its autonomous functions in accordance with external normative acts and concluded public law

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<sup>11</sup> Law on Social Services and Social Assistance, Article 1 (12).

<sup>12</sup> Law on Social Services and Social Assistance, Article 1 (9).

<sup>13</sup> Local Government Law, Article 4 (1) (9).



contracts. The performance of autonomous functions shall be organized and the responsibility for it shall lie with a municipality.<sup>14</sup> The Ministry of Environmental Protection and Regional Development does not have the right to influence the actual actions of municipalities or to provide guidance to municipalities on how to perform their functions.

The municipal council may issue binding regulations to ensure the performance of autonomous functions and voluntary initiatives of the municipality, in accordance with the procedure for the performance of functions provided for by laws or regulations of the Cabinet of Ministers which in some cases (listed in the Local Government Law) need to be forwarded for an opinion to the Ministry of Environmental Protection and Regional Development.

**– to guarantee elderly persons living in institutions appropriate support, while respecting their privacy, and participation in decisions concerning living conditions in the institution.**

If a person's old-age pension amount exceeds EUR 1000 per month, such persons have the opportunity to make decisions about living conditions in the institution – that is, to choose a service provider that meets the person's wishes.

To our understanding the situation is not in conformity with the requirements of the Revised Charter. We will be able to consider commitments under the current Article only when the average old-age pension will at least approach the real costs of the long-term social care services in institution. Currently real average costs would constitute EUR 1200 and high inflation does not help in improving the situation.

### **Article 31 – The right to housing**

With a view to ensuring the effective exercise of the right to housing, the Parties undertake to take measures designed:

#### **2. to prevent and reduce homelessness with a view to its gradual elimination;**

As regards Article 31 paragraph 2 of the Revised Charter, it is noted that Article 14 of the Law on Assistance in Solving Apartment Matters already defines a number of groups of persons to be provided primarily with residential space. Municipalities have an obligation to provide residential space. Pursuant to the mentioned Article, they are, inter alia, persons who are evicted from:

- rented residential spaces;
- residential property they own if recovery proceedings are applied against it.

The Committee also points out that national legislation must provide legal remedies and offer legal assistance to those who need it in court. In Latvia, such service is provided by the Legal Aid Administration.

As pointed out by, inter alia, the Committee, according to Article 31 paragraph 3 of the Revised Charter, it is necessary to ensure an adequate supply of affordable housing.

All the support measures indicated in the first report are continued in Latvia. Also, on May 2021, a new Residential Tenancy Law, which was mentioned in the first report, entered into force.

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<sup>14</sup> Local Government Law, Article 4 (2) and (3).

According to the report, the Committee also outlines what constitutes affordable housing and draws attention to the need to provide this type of housing. Moreover, it points to the need to adopt appropriate measures for the construction of housing, including social housing, as well as to ensure the availability of social housing.

The draft strategy on Housing Affordability<sup>15</sup> is currently at the final stage of development. The aim is to promote the availability of quality housing for all population groups by investing both in improving the existing housing fund and by encouraging investment in the development of a new housing fund. It defines four blocks of problems requiring action to promote housing affordability, including the first three addressing the problems outlined by the Committee:

1. Vulnerable persons do not receive support or support appropriate to our times for solving housing affordability issues, as well as there is a lack of quality housing intended for municipality assistance;
2. Lack of affordable quality housing to rent;
3. Lack of quality housing on market conditions to be purchased or rented;
4. Lack of incentive and financial resources to make the necessary improvements to housing.

The current situation shows that problems in providing full assistance when renting out municipality housing are not caused only by the insufficient housing fund but also by incompletely defined beneficiary groups in the Law on Assistance in Solving Apartment Matters. For instance, currently, poor or low-income persons who do not have a declared place of residence cannot receive support when renting a municipality apartment, nor can persons who withdraw from long-term social care institutions etc. At the same time, it should be noted that Annex 3 of the Strategy on Housing Affordability, which sets out specific directions and tasks for action, provides for the development of a new law aimed at addressing housing affordability issues and replacing the existing Law on Assistance in Solving Apartment Matters<sup>16</sup>. The main aim of the new regulation will be to review and possibly expand the range of people who qualify for a municipality rental apartment or short-term housing service.

In addition to the Draft Strategy already mentioned, which highlight the problems identified, appropriate solutions are being developed for each of the above-mentioned blocks of problems.

With the aim of ensuring availability of adequate housing at an affordable price, a support programme<sup>17</sup> has been developed and entered into force, the purpose of which is the construction of residential rental houses, promoting the availability of low-rent housing that meets construction standards and energy efficiency requirements for households that cannot afford housing on market conditions. The mentioned programme is already implemented and open for applications. The support is provided to real estate developers for the construction of low-rent residential rental house as a loan and capital discount for partial redemptions of the principal amount of loan for the

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<sup>15</sup> Available from: [https://tapportals.mk.gov.lv/legal\\_acts/d9854ae6-6adb-4f67-aff5-69e04ebe14c1](https://tapportals.mk.gov.lv/legal_acts/d9854ae6-6adb-4f67-aff5-69e04ebe14c1)

<sup>16</sup> Available from: <https://likumi.lv/ta/en/en/id/56812-law-on-assistance-in-solving-apartment-matters>

<sup>17</sup> Available from: <https://likumi.lv/ta/id/334085-noteikumi-par-atbalstu-dzivojamo-ires-maju-buvniecibai-eiropas-savienibas-atveselosanas-un-noturibas-mehanisma-plana-3-1>

construction of low-rent housing in regions to provide affordable rental housing for households with a certain level of income.

Statistics:

- According to Eurostat data for 2018, the level of household income in Latvia based on purchasing power parity is only 59% of the average household indicator of the European Union;
- Since 1993, the share of newly constructed multi-apartment dwellings is only 4%, which is one of the lowest rates compared to other OECD countries;
- From 2010 to 2017, 91.8% of the residential area of new housing has been built directly in Rīga, Jūrmala and Pierīga region municipalities. Currently, the private sector is not interested in making investments in the construction of rental houses in the regions, given the high construction costs and the developer's preferred investment period of repayment, rentals in newly constructed housing exceed the solvency of the population;
- According to Eurostat data on the distribution of the population based on the housing ownership status, only 7.5% of the population of Latvia rented housing on market price value in 1918.

The European Union's Cohesion Policy Programme 2021-2027 aims to promote the socio-economic integration of socially excluded communities, migrants and disadvantaged groups through integrated measures, including housing and social services. In order to achieve this objective, a specific support measure "Renovation of social housing or construction of new social housing" (hereinafter – Support Programme), the condition for the implementation of which are currently being developed by the Ministry of Economics<sup>18</sup>. The purpose of the Support Programme is to ensure the availability of housing that meets decent living conditions for persons who are registered for the types of assistance specified in the Law on Assistance in Solving Apartment Matters – renting out residential spaces owned or leased by the municipality and renting out a social apartment. Additionally, with the Support Programme, it is planned to reduce the queues in municipalities to these dwellings.

Statistics:

- According to the OECD research data, Latvia has one of the smallest social housing funds among OECD member states (less than 2% of the total housing fund);
- Social housing is in poor condition. 15.2% of the population face very poor household conditions, which is significantly higher than the European Union average of 4.5%.

Strategy for Social protection and Labour Market Policy 2021-2027 (hereafter – Strategy)<sup>19</sup>; approved by the Government on September 2021, covers deinstitutionalization issues, social service provision for people leaving institutions, partly - some accessibility issues for persons with disabilities.

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<sup>18</sup> Available from: [https://tapportals.mk.gov.lv/legal\\_acts/a6927cd3-dae9-4abf-b997-ec4b350b7476](https://tapportals.mk.gov.lv/legal_acts/a6927cd3-dae9-4abf-b997-ec4b350b7476)

<sup>19</sup> Available at: <https://likumi.lv/ta/id/325828-par-socialas-aizsardzibas-un-darba-tirgus-politikas-pamatnostadnem-2021-2027-gadam>

As one of the lines of actions set in the Strategy is a modern and accessible system of social services, which, among other things, improves the ability of citizens to live independently and live in society, to enter education and the labour market. The primary focus lays on the development of community-based services, facilitating the transition of people to community-based or family-friendly services. The provision of social services tailored to needs promotes individual participation in education and the labour market, which are the most important areas of life for independent and independent living.

### **3. to make the price of housing accessible to those without adequate resources.**

Please see also information provided under the previous paragraph and Article 23.

Within the European Union Recovery and Resilience Facility reforms and investments, the Ministry of Welfare implements support measures to ensure accessibility to the housing environment for people with disabilities. The aim of the measure is to provide support for the adaptation of housing for persons with disabilities with movement impairments by improving employment opportunities and access to services, thereby promoting human rights and quality of life.

The target group of the measure are adults up to the age of 63 (inclusive) with disability group I or II, who have movement impairments, as well as children with disabilities from 15 to 17 years of age (inclusive) who have movement impairments.

It is an autonomous function of a municipality to provide assistance to the population in solving housing problems, as well as to promote the creation, maintenance and modernization of the housing stock.

However, on 20 July 2022, Order of the Cabinet of Ministers No 537 “On State aid to municipalities to provide residents with quality and affordable rental housing” was approved. The order specifies the establishment of the State capital company Housing Fund Institution, after assessing existing possibilities, drafting of a Housing Fund Law, subject to specific conditions and next steps regarding funding, etc.

The aim of the draft law is to ensure the effective functioning of the Housing Fund institution by implementing the construction of rental housing in the regions.

It will offer environmentally friendly housing, mainly for rent at a reasonably low rent and 5% for new housing for sale.

In conclusion, there are many activities and plans to address the housing issues, however, they have to materialize before additional commitments can be undertaken.