Social Protection and Financial Sustainability

**Sources:**
Individual RRs, RRs for diff. Earnings Level: SPC 2004, NSR 2005;

**Notes:**
Gross pension wealth by earnings level, mandatory pension programmes
Men and women: weighted (average) pension wealth

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**Indicators**

- Demographic Indicators
- Income and Wealth
- Labour Market and Labour Market Participation
- Social Protection and Financial Sustainability

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**Indicators**

**Median Pensions relative to Median Earnings, 1995 - 2004**

- 1995: n.a
- 1996: n.a
- 1997: n.a
- 1998: n.a
- 1999: n.a
- 2000: n.a
- 2001: n.a
- 2002: n.a
- 2003: n.a
- 2004: n.a

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**Replacement Rates at 2/3rd of Average Earnings Level, 2005-2050**

- 2005: 64.6%
- 2010: 71.4%
- 2015: 71.4%
- 2020: 71.4%
- 2025: 71.4%
- 2030: 71.4%
- 2035: 71.4%
- 2040: 71.4%
- 2045: 71.4%
- 2050: 71.4%

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**Individual Replacement Rates at Median Income, 2004-2050**

- 2004: 60.8%
- 2010: 77.6%
- 2015: 71.4%
- 2020: 71.4%
- 2025: 71.4%
- 2030: 71.4%
- 2035: 71.4%
- 2040: 71.4%
- 2045: 71.4%
- 2050: 71.4%

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**Pension Wealth at different Earning Level and by Gender, 2040**

- 1st Pillar gross.
- Total gross.
- Total net.
Latvia

**Implicit Contribution Rate**, 2004-2050

**Total Pension Spending in % of GDP and in % of Social Exp.**

**Decomposition of Projected Public Pension Spending, 2004-2050**

**Sustainability Gap Indicators**, 2004

**System Accrual Rates**

**Lifetime Allocation***

**Take-up Ratio**

**Old Age and System Dependency Ratios**

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Sources:
- Implicit Contribution Rate: Public finances in EMU 2005, European Commission
- Total Pension Spending: NSR; EPC 2003; Casey et al.
- Decomposition, Contributions: Eurostat; NSR 2005; EPC 2003; Casey et al. 2003
- Tax Gap Indicators: EPC 2003: Public Finances in EMU 2005
- System Accrual Rates: OECD, Pensions at a glance 2005; NSR 2005; MISSOC 2005
- Take-up Ratio: World Labour Report 2000, ILO
- System Dependency Ratios: The impact of ageing on public expenditure, EPC and EC

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Lifetime Allocation***

- n.a

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* Based on average ages of entry and exit to/from the labour market calculated for 2000
### Latvia

#### Participation in Private Pension Schemes, 2004
- Occupational: n.a.
- Individual: 3

#### Age Differential in Statutory Retirement Age, 2005
Retirement ages raised to 62, equally for men and women (in effect from 2009).

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### Pension Credit for non-contributory Periods, 2005

Non-contributory periods credited or taken into consideration:
The following periods are recognised prior to 1 January 1991:
- compulsory military service;
- studies at institutions of higher education;
- child care by the mother until the child reached 8 years of age.

After this period contributions have been made on behalf of certain categories of the population. The state budget pays compulsory contributions of 20% of LVL 50 (€ 72) per month on behalf of:
- Active military conscripts and alternative service conscripts;
- individuals taking care of a child under 1.5 years of age;
- spouses residing abroad with their partners who are on diplomatic or consular duties;
- persons during child-care period receiving child care benefit for adoptee;
- spouses of persons in the military service residing in the respective foreign country.

The state social insurance special budget covers the compulsory contributions on behalf of:
- recipients of Unemployment Benefit (20% of unemployment benefit);
- unemployed disabled persons (rate: 20% from 50% of the national average insurance contribution earnings of the previous year or 20% of the compensation for the loss of the capacity of work);
- recipients of Maternity Benefit or Sickness Benefit (20% of sickness or maternity benefit).

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Sources:
- Participation in Private Pension Schemes: Adequate and sustainable pension, European Commission, 2006
- Age Differential, Pension Credit: MISSOC 2005