

*Translated by the Ministry of Social Security and Labour*



**THE LAW  
AMENDING LAW NO I-549 OF THE REPUBLIC OF LITHUANIA  
ON STATE SOCIAL INSURANCE PENSIONS**

29 June 2016 No XII-2512  
Vilnius

**Article 1. The new version of the Law Amending Law No I-549 of the Republic of  
Lithuania on State Social Insurance Pensions**

To amend Law No I-549 of the Republic of Lithuania on State Social Insurance Pensions  
and to restate it as follows:

**“THE LAW ON SOCIAL INSURANCE PENSIONS OF THE REPUBLIC OF  
LITHUANIA**

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1. Purpose and application of the Law**

1. This Law establishes the types of state social insurance pensions and conditions of their entitlement, calculation, and payment.

2. This Law shall apply to persons meeting the requirements for the pension social insurance record established by this Law for entitlement to a social insurance pension of the respective type and having reached the old-age retirement age established by this Law, recognised as incapable or partially capable of work or, in case of death of such persons, to their spouses and children (adopted children).

3. This Law establishes the procedure for payment of pensions awarded before 31 December 1994, until the expiration of their payment period or entitlement to a pension according to this Law, and the procedure for the entitlement, calculation, and payment of compensations for special working conditions.

4. The provisions of this Law are harmonised with the legislative acts of the European Union specified in Annex 1 to this Law.

## **Article 2. Main definitions for the purposes of this Law**

1. **General part of social insurance pension** (hereinafter referred to as “general part”) shall mean the part of social insurance pension, the amount whereof shall be determined according to the person’s pension social insurance record and approved amount of the social insurance basic pension.

2. **Obligatory record of pension social insurance** (hereinafter referred to as “obligatory insurance record”) shall mean the duration of the pensions social insurance for the certain type of social insurance pensions in terms of years for the calculation of the general part of social insurance pension.

3. **Individual part of social insurance pension** (hereinafter referred to as “individual part”) shall mean the part of social insurance pension, the amount whereof shall be determined by the amount of pension social insurance contributions calculated for the person and/or paid by the person during the whole pension social insurance record.

4. **Funded pension contribution** shall mean a portion of the social pension insurance contribution being accumulated under the Law of the Republic of Lithuania on the Accumulation of Pensions (hereinafter referred to as “the Law on the Accumulation of Pensions”), on a person’s pension account in a pension accumulation company selected by that person.

5. **Temporal pension points** shall mean pension points, which are temporarily used for calculating the individual part of work incapacity social insurance pension in order to prevent affecting the amount of this pension part when the person participates in the accumulation of pensions under the Law on the Accumulation of Pensions.

6. **Minimum record of pension social insurance** (hereinafter referred to as “minimum insurance record”) shall mean the duration of pension social insurance as established by this Law, which gives the right for entitlement to a social insurance pension of the corresponding type.

7. **Work incapacity pension points** shall mean the additional pension points awarded under this Law to a person who is recognised as incapable or partially capable of work from the day of entitlement to a work incapacity pension to reaching the old-age retirement age, which are used for the calculation of the individual part of social insurance pension.

8. **Substitute pension points** shall mean the conventional unit of measure which, under this Law, is calculated on the basis of the average value of pension points acquired before recognising the person as incapable or partially capable of work and used to determine the number of work incapacity pension points.

9. **Pension point** (hereinafter referred to as “point”) shall mean the conventional unit of measure used for the calculation of the individual social insurance pension part of a person.

10. **Value of the pension point** (hereinafter referred to as “value of the point”) shall mean the monetary value of a pension point approved for a calendar year in accordance with the procedure established by this Law.

11. **Pension social insurance contribution** shall mean the pension insurance contribution paid by the insured person and/or his insurer as established by the Law of the Republic of Lithuania on the Approval of Indicators of the Budget of the State Social Insurance Fund for a certain year.

12. **Record of pension social insurance** (hereinafter referred to as “insurance record”) shall mean the time, during which pension social insurance contributions were or had to be paid in accordance with the procedure established by laws, and the periods recognised as equivalent to insurance record as specified by this Law.

13. **Social insurance basic pension** (hereinafter referred to as “basic pension”) shall mean the amount of the unit of measure of the general part of a social insurance pension in terms of money approved for a calendar year in accordance with the procedure established by this Law.

14. **Orphan’s social insurance pension** (hereinafter referred to as “orphan’s pension”) shall mean a social insurance pension entitled to the children (adopted children) of a deceased person provided that the conditions established by this Law are satisfied.

15. **Widow’s/widower’s social insurance pension** (hereinafter referred to as “widow’s/widower’s pension”) shall mean a social insurance pension entitled to the spouse of a deceased person provided that the conditions established by this Law are satisfied.

16. **Basic amount of the widow’s/widower’s social insurance pension** (hereinafter referred to as “basic amount of the widow’s/widower’s pension”) shall mean the amount of the unit of measure of a widow’s/widower’s pension in terms of money approved in accordance with the procedure established by this Law.

17. **Social insurance work incapacity pension** (hereinafter referred to as “work incapacity pension”) shall mean a social insurance pension entitled to a person who, in accordance with the Law of the Republic of Lithuania on the Social Integration of People with Disability (hereinafter referred to as “the Law on the Social Integration of People with

Disability”), has been assigned a work capacity level and who has the minimum record of pension insurance necessary to receive a work incapacity pension as established by the Law.

18. **Adjustment of a social insurance pension** shall mean the calculation of a new amount of a social insurance pension made on an annual basis upon the evaluation of the additional insurance record and pension points additionally acquired by a person during a calendar year after the entitlement to the pension.

19. **Revision of a social insurance pension** shall mean the calculation of a new amount of social insurance pension upon the provision of additional data on the insurance record (or periods recognised as equivalent to the insurance record) and /or income received before entitlement to a pension.

20. **Indexation of a social insurance pension** shall mean the establishment of a new amount of a social insurance pension by applying the index established by this Law.

21. **Social insurance old-age pension** (hereinafter referred to as “old-age pension”) shall mean a social insurance pension awarded to a person who has reached the old-age retirement age for an old-age pension established by this Law and has the minimum insurance record for an old-age pension established by this Law.

22. **Social insurance old-age pension for disabled person** (hereinafter referred to as “old-age pension for a disabled person”) shall mean an old-age pension to be paid, in accordance with the procedure established by this Law, to a person who reaches the old-age retirement age for an old-age pension during the period of receiving a work incapacity pension.

23. **Country’s average wage** shall mean the gross average monthly earnings of workers in the country’s economy for four quarters of a calendar year published by the Lithuanian Department of Statistics (including the data on salaries in individual enterprises).

24. Other terms used in this Law shall be understood as they are defined in the Law of the Republic of Lithuania on State Social Insurance (hereinafter referred to as “the Law on State Social Insurance”), the Law on the Integration of People with Disability, the Law on the Accumulation of Pensions, other laws, and the Electronic Dictionary of Statistical Terms of the Lithuanian Statistics Department.

### **Article 3. Entitlement to a social insurance pension**

1. The following persons specified in Paragraph 2 of Article 1 of this Law shall be entitled to a social insurance pension:

1) residing in the Republic of Lithuania, whose data on the place of residence, as it is defined in the Law of the Republic of Lithuania on Declaration of the Place of Residence, and as

it concerns those who do not have a place of residence – data on the municipality where they reside, are entered in the Register of Residents of the Republic of Lithuania;

2) residing in Member States of the European Union, signatory member states of the Agreement on the European Economic Area that are subject to the EU regulations on the coordination of social security systems;

3) residing in states where the provisions of the international agreements of the Republic of Lithuania on the payment of pensions are effective.

2. The persons specified in Paragraph 2 of Article 1 of this Law, who are not subject to the provisions of Subparagraphs 2 and 3 of Paragraph 1 of this Article regarding the right to receive a pension when residing in foreign states, shall be entitled to a pension only if they have acquired at least the minimum insurance record to receive a pension of the respective type while working in Lithuanian undertakings, agencies, organisations (hereinafter referred to as “Lithuanian undertakings”) (Article 10 of this Law; Annex 2 to this Law). The condition to acquire the minimum insurance record when working in Lithuanian undertakings shall not apply to political prisoners and deportees rehabilitated in accordance with the procedure established by the legislative acts of the Republic of Lithuania.

#### **Article 4. Persons subject to mandatory pension social insurance**

Persons subject to mandatory pension social insurance shall be established by the Law on State Social Insurance.

#### **Article 5. Types of state social insurance pensions**

In accordance with this Law, the following types of social insurance pensions are distinguished:

- 1) old-age pension;
- 2) work incapacity pension;
- 3) widow's/widower's pension;
- 4) orphan's pension.

#### **Article 6. Payment of pensions to persons who are entitled to more than one pension**

1. Persons who are paid work incapacity (disability) pensions and who reach the old-age retirement age at the time of receiving that pension after the entry into force of this Law and acquire the right to receive old-age pension, shall be paid, at their own choice, either an old-age pension or an old-age pension for disabled which has to be calculated in accordance with the procedure established in Article 34 of this Law. Alongside with an old-age pension entitled and paid in accordance with Article 14 or Article 20 of this Law, persons participating in the

accumulation of pensions shall be paid a cumulative funded pension benefit in accordance with the provisions of the Law on the Accumulation of Pensions. Widow's/widower's and/or orphan's pensions may be paid alongside with an old-age pension, old-age pension for a disabled person or work incapacity pension, unless laws establish otherwise.

2. Persons who at the same time have the right to receive widow's/widower's pensions and/or orphan's pensions shall be paid the larger pension or, at their own choice, one of those pensions.

3. Persons who have the right to receive or who receive state loss-of-breadwinner pensions or state social insurance loss-of-breadwinner pensions for a bread-winner who deceased before 1 January 1995 and who at the same time have the right to receive an old-age, work incapacity, disability, service, widow's/widower's or orphan's pension, shall be paid one of those pensions at their own choice, except for an orphan's pension, which shall be paid together with a state loss-of-breadwinner pension for the parent who deceased before 1 January 1995.

4. Persons who have the right to receive a social insurance pension shall not lose the right to receive state pensions or other pension benefits, unless laws establish otherwise.

#### **Article 7. Structure of a social insurance pension**

A social insurance pension shall consist of the general and individual parts.

#### **Article 8. Indexation of the indicators of measure of the amounts of social insurance pensions**

1. From 1 January each year, the amounts of the basic pension and the value of pension points as well as the basic amount of the a widow's/widower's pension, which are used in awarding and paying pensions of the types established in this Law, shall be indexed in accordance with the indexation coefficient calculated and approved in the previous year (hereinafter referred to as "the IC").

2. The IC shall be calculated in accordance with the following procedure:

1) The IC shall be calculated as the arithmetic average of the annual wage sum growth rates for seven consecutive years: for three years preceding the year of calculation, in the year of calculation, and three forecast years. The calculation of the IC shall be based on the data on the wage sum growth for three years preceding the year of calculation published by the Lithuanian Department of Statistic, the annual wage sum growth indicators for the year of calculation and wage sum growth indicators for three forecast years published in the Economic Development Scenario of the year of calculation prepared in accordance with the procedure established by the Law of the Republic of Lithuania on the Structure of the Budget. The IC calculated in

accordance with the procedure established in this paragraph shall apply if, when applied, the planned expenditure of pension social insurance according to the Law of the Republic of Lithuania on the Approval of Indicators of the Budget of the State Social Insurance Fund effective in the year of indexation does not exceed the revenue of pension social insurance in the year of indexation and the forecasted pension social insurance expenditure in the following calendar year does not begin to exceed the forecasted revenue of pension social insurance;

2) If the revenue of pension social insurance in the year of indexation exceeds the expenditure of pension social insurance without indexation, the IC shall be calculated so that the expenditure of pension social insurance for the indexation of pensions does not exceed 75 per cent of the planned surplus of pension social insurance contributions in case of no indexation.

3. No indexation shall be performed if the IC calculated in accordance with the procedure established in Paragraph 2 of this Article is lower than 1.01 and/or changes in the gross domestic product of the year of calculation of the IC and/or following calendar year published in the latest Economic Development Scenario in the year of calculation of the IC in comparative prices and/or changes of the wage fund in terms of percentage are negative. In those cases when no indexation is performed, the values that were effective in the December of the previous year shall apply.

4. The part of the revenue of pension social insurance exceeding the amount of the expenditure of pension social insurance, at the end of each budget year in accordance with the procedure established by the Government of the Republic of Lithuania (hereinafter referred to as "the Government"), shall be transferred to the part of the Social Insurance Reserve Fund intended for pensions. The funds of this Fund shall be used, in accordance with the procedure established by Government, if the expenditure of pension social insurance begins to exceed the revenue of pension social insurance.

5. The pensions indicated in Paragraph 7 of Article 49, Paragraph 5 of Article 53, Paragraph 1 of Article 58 and Article 60 of this Law as well as the pension parts indicated in Paragraph 5 of Article 45 and Paragraph 3 of Article 48 shall be indexed by multiplying the amount of the pension being paid (part of the pension) by the IC.

6. The procedure for the calculation of the IC shall be approved by the Government. The IC and the amounts of the basic pension and the value of pension points indexed according to the IC shall be approved and published by the State Social Insurance Fund Council (hereinafter referred to as "the Council").

## **Article 9. Sources of payment of state social insurance pensions**

1. The general part shall be funded from the state budget in accordance with the procedure established by the Law on State Social Insurance.

2. The individual part shall be paid from the budget of the State Social Insurance Fund.

3. Compensations for special working conditions, widow's/widower's pensions as well as the pensions specified in Paragraph 7 of Article 49, Paragraph 5 of Article 53, and Articles 58 and 60 of this Law shall be paid from the budget of the State Social Insurance Fund.

#### **Article 10. Inclusion of periods into insurance record**

1. From the entry into force of this Law, all calendar years shall be included into the insurance record if the amount of pension social insurance contributions which had to be paid in that year (including the funded pension contributions) do not fall below the amount of pension social insurance contributions that had to be paid during that year (including the funded pension contributions) from the aggregate amount of the minimal monthly wage when working under an employment contract. If different amounts of this wage are determined, the minimum monthly wage that is the smallest in terms of amount shall apply to the calculation of the insurance record. If the amount of pension social insurance contributions had to be paid in accordance with this amount is smaller, a proportionally smaller part of insurance record shall be calculated. If, in accordance with the established procedure, persons paid pension social insurance contributions at a reduced rate (or pension social contributions had to be paid for persons), it shall be considered, when calculating the insurance for that year, that pension social insurance contributions were calculated at the whole approved rate.

2. In the year of retirement, all months before the month of retirement shall be included into the insurance record if the amount of the calculated pension social insurance contributions is not smaller than the amount of pension social insurance contributions that had to be paid during those months on the basis of the amount of minimal monthly wage, when working under an employment contract, effective during those months. Otherwise, the insurance record of the year of retirement shall be considered to be proportionally smaller.

3. The time during which the person received the following benefits shall also be included in the insurance record:

1) sickness benefits (including those payable by the employer), maternity, paternity, parental or occupational rehabilitation social insurance benefits payable in accordance with the Law of the Republic of Lithuania on Sickness and Maternity Social Insurance;

2) social insurance benefits for sickness due to an occupational accident or occupational disease payable in accordance with the Law of the Republic of Lithuania on Social Insurance of Accidents [at Work](#) and Occupational Diseases;

3) unemployment social insurance benefits payable in accordance with the Law of the Republic of Lithuania on Unemployment Social Insurance;

4) unemployment benefits payable to persons insured from unemployment in accordance with the provisions of the Law of Republic of Lithuania on Support of the Unemployed that was in force until 1 January 2005.

4. The time of receiving the benefits specified in Paragraph 3 of this Article shall be included only for persons who are compulsory insured, in accordance with the procedure established by laws, by sickness and maternity social insurance, occupational accident and occupational disease social insurance as well as unemployment insurance (before 1 January 2005 – by social insurance from unemployment). When including in the insurance record the periods specified in Paragraph 3 of this Article, it shall be considered that pension social insurance contributions were calculated on the basis of these benefits in accordance with the rate of pension social insurance contributions (including the funded pension contribution). The duration of the acquired insurance record shall be calculated in accordance with the provisions of Paragraph 1 of this Article.

5. When awarding an old-age pension or work incapacity pension in accordance with the provisions of this Law, the years of receiving work incapacity (disability) pensions (or their part if the person received the pension not during the whole year) shall be included by their calendar duration. When awarding an old-age pension, the whole year of receiving a work incapacity (disability) pension shall be included in the insurance record, but not longer than until the person reaches the old-age retirement age.

6. From the entry into force of the Law of the Republic of Lithuania on State Social Insurance Pensions (hereinafter referred to as “the Law on Pensions”), i.e. from 1 January 1995, the insurance record acquired before the entry into force of this Law shall be determined and calculated in accordance with the provisions of legislative acts that were in force before 31 December 2017.

7. Periods preceding the entry into force of the Law on Pensions, i.e. 1 January 1995, which are recognised as equivalent to the insurance record when awarding an old-age pension or work incapacity pension in accordance with the provisions of this Law and revising the amounts of old-age and work incapacity (disability) pensions awarded before the entry into force of this Law (Article 50 of this Law) are specified in Annex 2 to this Law. These periods shall be included in the insurance record by their calendar duration.

8. The sum of the periods calculated in Paragraphs 1, 2, 4, and 5 of this Article shall be considered as the insurance record acquired during a calendar year. Only one year of the insurance record may be included per one calendar year.

9. The insurance record shall be expressed in years and calculated with a precision of four decimal places.

#### **Article 11. Points of social insurance pensions**

1. Pension points shall be calculated for a person with a precision of two decimal points for each calendar year of pension social insurance. The number of pension points acquired during a calendar year may not exceed 5.

2. Pension points for periods before the entry into force of this Law shall be calculated in accordance with the procedure established in Article 51 of this Law.

#### **Article 12. Calculation of pension points**

1. The number of pension points acquired by a person during a calendar year or during a part of a calendar year shall be determined by dividing the amount of the pension social insurance contributions for the individual part of the pension paid by the person and/or calculated for the person (excluding the amount of the funded pension contributions, except for the cases provided for by this Law) by the amount of social insurance contributions for the individual part of the pension, which, in accordance with the rate of pension social insurance contributions for the individual part of the pension, must be paid by the insured or his insurer during the year on the basis of the country's average wage of that year. In those cases when, in accordance with bilateral agreements of the Republic of Lithuania, a pension shall be entitled on the basis of income acquired in another state, it shall be considered that the person acquired one pension point during a calendar year and a proportionally smaller part of a pension point for a part of a calendar year.

2. If during a calendar year a person received social insurance benefits specified in Paragraph 3 of Article 10 of this Law, it shall be considered that pension social insurance contributions were calculated on the basis of these benefits in accordance with the rate of pension social insurance contributions (including the funded pension contribution). The sum of benefits calculated so shall be added to the sum of contributions specified in Paragraph 1 of this Article, according to which the acquired number of pension points shall be determined.

3. Pension points shall be summed up for the whole year when the person was covered by pension social insurance or received the benefits specified in paragraph 3 of Article 10 of this Law.

**Article 13. Determination of the number of pension points for periods when a person received a work incapacity pension**

1. The average number of substitute pension points of the calendar year when the person received a work incapacity pension shall be considered as the number of pension points acquired in that year (Article 31 of this Law). If a work incapacity pension was paid to a person not for the whole calendar year, a proportionally smaller amount shall be considered as the number of pension points acquired in that year.

2. When a person, receiving a work incapacity pension, in accordance with Article 12 of this Law, acquires a number of pension points exceeding the average number of substitute pension points, a larger number of pension points shall be considered as the number of pension points acquired in that year.

**CHAPTER II  
OLD-AGE PENSIONS**

**Article 14. Entitlement to an old-age pension**

1. A person shall be entitled to an old-age pension when he meets all the following conditions:

- 1) The person reaches the old-age retirement age specified by this Law;
- 2) The person has the minimum insurance record determined for an old-age pension.

2. The person must meet the requirements specified in Subparagraph 2 of Paragraph 1 of this Article of this Law on the day he reaches the old-age retirement age or on the day he applies for the pension already after reaching the old-age retirement age.

**Article 15. Old-age retirement age**

From 1 January 2026, the old-age retirement age shall be 65 years.

**Article 16. Minimum and obligatory insurance record for an old-age pension**

1. The minimum insurance record for an old-age pension shall be 15 years.
2. The obligatory insurance record for an old-age pension shall be 35 years.

**Article 17. Amount of the general part of an old-age pension**

The amount of the general part of an old-age pension shall be determined according to the amount of the basic pension, with regard to the ratio between the person's insurance record

and the obligatory insurance record and shall be calculated with a precision of a euro cent according to the following formula:  $\beta \cdot B$ , where:

1)  $\beta$  is the ratio of the insurance record of the person and the obligatory insurance record effective in the year of the pension entitlement (Article 57 of this Law) to be expressed with a precision of four decimal points;

1)  $B$  is the basic pension amount effective in the month for which the pension is paid.

### **Article 18. Amount of the individual part of an old-age pension**

1. The amount of the individual part of an old-age pension with a precision of a euro cent shall be calculated in accordance with the formula  $V \cdot p$ , where:

1)  $V$  is the number of pension points acquired by the person;

2)  $p$  is the value of a pension point effective in the month for which the pension is paid.

2. If the country's average wage, which is necessary for the calculation of all acquired pension points, has not yet been published at the time of the award of an old-age pension, the individual part of the old-age pension shall be calculated in accordance with the number of pension points known at the time of the award of the pension. Upon the publication of the country's average wage, the number of person's pension points shall be increased correspondingly, and the whole difference from the date of the award of the old-age pension shall be paid.

### **Article 19. Adjustment of an old-age pension**

From 1 July of each calendar year starting 2019, an old-age pension shall be adjusted every year, taking into account the insurance record and number of pension points acquired by the person after the award of the pension:

1) The general part shall be calculated in accordance with Article 17 of this Law, according to the data on the insurance record acquired by the person as of 1 January of that year, with a new evaluation of the value  $\beta$  as the ratio of the insurance record acquired by the person and the obligatory insurance record that was effective in the year of entitlement to the old-age pension (Article 57 of this Law); if the newly calculated value  $\beta$  is smaller than that applied previously, the former value shall apply;

2) The individual part shall be calculated in accordance with the procedure determined in Article 18 of this Law, applying pension points acquired by the person as of 1 January of that year.

### **Article 20. Early entitlement to an old-age pension**

1. In accordance with this Law, an old-age pension can be awarded before the person reaches the old-age retirement age (hereinafter referred to as “early old-age pension”), if on the day of the application for an early old-age pension, the person meets all the following conditions:

1) The period before the person reaches the old-age retirement age established in Article 15 of this Law does not exceed 5 years;

2) The person has the obligatory insurance record for the entitlement to an old-age pension as will be effective in the year when the person will reach the old-age retirement age, except for the persons specified in Paragraph 2 of this Article;

3) The person does not receive any other social insurance, state, social assistance pensions (except for social assistance pensions for taking care of persons with disability at home awarded before 1 April 2004 and pension benefits payable in accordance with the Law on the Accumulation of Pensions and the Law of the Republic of Lithuania on the Accumulation of Occupational Pensions), a foreign state’s pensions (except for early old-age benefit or old-age benefit awarded in accordance with the provisions of the EU regulations on the co-ordination of social security systems or of the international agreements of the Republic of Lithuania on the payment of pensions), permanent pension-type benefits for the person’s nature of work (signatory’s state annuities, compensation allowances to former creative workers of theatre and concert agencies (creative workers of professional stage art establishments), compensations for special working conditions, etc.) payable from the state budget or the budget of the State Social Insurance Fund, work incapacity periodical compensations, social assistance compensations, unemployment social insurance benefits or early entitlement benefits to the unemployed;

4) The person is none of the persons subject to mandatory social insurance in accordance with the Law on State Social Insurance, is not a farmer or farmer’s partner in accordance with the Law of the Republic of Lithuania on Farmers’ Farms, and does not receive in a foreign state any income related to labour relations or relations meeting the essence of such;

5) Meets the other conditions established by this Law for entitlement to an old-age pension, except the requirement for the old-age retirement age.

2. For mothers who gave birth to five and more children and brought them up to the age of 8 as well as parents (adoptive parents) who, for at least 15 years, have nursed at home children (adopted children) with disability (disabled), irrespective of the disability level of the children (adopted children), or their children (adopted children) recognised as having lost 60 per cent or more of their work capacity (before 1 April 2004 – as the disabled of the first or second group since childhood, or who before 1 July 2015 became the disabled of the first or second group up to the age of 18) if these children (adopted children) were recognised as having a disability (by 1 July 2005 – as the disabled) up to the age of 18 as well as for persons who, for at least 15 years

have nursed at home people rated as requiring permanent special nursing care (totally disabled persons) , the early old-age pension, provided that they comply with the conditions specified in Subparagraphs 1, 3, 4, and 5 of Paragraph 1 of this Article, may also be awarded in case when on the day of the application for entitlement to an early old-age pension these person have at least half of the obligatory insurance record for the award of an old-age pension effective in the year when the person reaches the old-age retirement age.

#### **Article 21. Suspension and renewal of the payment of an early old-age pension**

1. The payment of an awarded early old-age pension shall be suspended and it shall not be paid if the recipient of the pension fails to comply with the conditions determined in Subparagraphs 3 and/or 4 of Paragraph 1 of Article 20 of this Law or if the person submits a request to suspend the payment of the early old-age pension.

2. If the payment of an early old-age pension was suspended in accordance with Paragraph 1 of this Article, the payment of the previously awarded early old-age pension may be renewed from the first day of the month following the month when the person applied for the renewal of the payment of that pension, provided that the person meets the conditions for receiving an early old-age pension.

#### **Article 22. Calculation of an early old-age pension**

An early old-age pension shall consist of the general and individual parts, which shall be calculated in accordance with the following procedure:

1) The general part shall be calculated in accordance with the procedure determined in Article 17 of this Law, while calculating the value  $\beta$  as the ratio of the acquired and obligatory insurance record of the person that will be effective in the year of the award of the old-age pension (Article 57 of this Law);

2) The individual part shall be calculated in accordance with the procedure determined in Article 18 of this Law;

3) The calculated general and individual parts shall be reduced by 0.4 per cent for every full month left until reaching the old-age retirement age.

#### **Article 23. Calculation of social insurance pensions for a person who received an early old-age pension**

1. When awarding a work incapacity pension to a person who has received an early old-age pension, the amount of the work incapacity pension shall be calculated in accordance with the procedure laid down in this Law and shall not be reduced due to the fact that the person has received an early old-age pension.

2. When awarding an old-age pension to a person who has received an early old-age pension, the amount of the old-age pension shall be calculated in accordance with Articles 17 and 18 of this Law and shall be reduced by 0.4 per cent for every full month when the person received an early old-age pension.

3. If a person who was awarded an early old-age pension chooses to receive an old-age pension for a disabled person when this person reaches the old-age retirement age, the amount of the old-age pension for a disabled person calculated in accordance with the procedure laid down in Article 34 of this Law shall be reduced by 0.4 per cent for every full month when the person received an early old-age pension.

#### **Article 24. Deferred entitlement and payment of an old-age pension**

1. If a person acquires the right to receive an old-age pension in accordance with this Law but applies for the deferred entitlement or payment of an old-age pension, the old-age pension shall be awarded to such a person or its payment shall be started at the end of the deferment period. During the deferred payment period, the old-age pension shall be adjusted in accordance with the procedure laid down in Article 19 of this Law.

2. At the end of the deferment period, the old-age pension shall be increased by 8 per cent for each complete year of deferment.

3. The deferment of an old-age pension shall be possible only for a complete year, but not more than for 5 years.

### **CHAPTER III WORK INCAPACITY PENSIONS**

#### **Article 25. Entitlement to a work incapacity pension**

The persons who, in accordance with the procedure laid down by the Law on the Social Integration of the Disabled, have been established a level of capacity for work and who are rated as incapable or partially capable of work with the established level of work incapacity at least of 45 per cent (hereinafter referred to as “the persons incapable or partially capable of work”) as

well as persons suffering from pituitary dwarfism shall be entitled to the social insurance work incapacity pension where these persons fulfil the conditions of this Law.

**Article 26. Establishment of a level of work capacity and percentage of work incapacity**

1. A person's level of capacity for work, reason therefor, time of occurrence, time limit and percentage of the person's lost capacity for work shall be established by the Disability and Working Capacity Assessment Office at the Ministry of Social Security and Labour of the Republic of Lithuania (hereinafter referred to as "the Office").

2. The administrations of the State Social Insurance Fund have the right, in accordance with the procedure established by legal acts, to dispute the decisions of the Office concerning a level of capacity for work, its reason therefor, time of occurrence and time limit thereof.

**Article 27. Conditions of entitlement to a work incapacity pension**

1. A person for whom a level of capacity for work is established for the first time and who is rated as incapable or partially capable of work shall become entitled to a work incapacity pension, provided on the day of rating him as incapable or partially capable of work he has the minimum state social pension insurance record for the work incapacity pension.

2. A person not entitled to a work incapacity pension under the condition indicated in paragraph 1 of this Article shall become entitled to it where he has the minimum state social pension insurance record for the work incapacity pension on the day of rating him as incapable or partially capable of work after a repeated examination or on the day of application for the pension.

3. A person suffering from pituitary dwarfism for whom a level of work capacity has not been established or who is recognised as having lost 45–65 per cent of his work capacity shall be entitled to receive a work incapacity pension as a person who lost 70 per cent of his work capacity if he complies with the condition established in Paragraph 3 of Article 28 of this Law.

**Article 28. Minimum and obligatory insurance record for a work incapacity pension**

1. For a person who has been recognised as incapable or partially capable of work, the following minimum insurance record for a work incapacity pension shall be established: before the person reaches the age of 22 – two months; for a person who has reached the age of 22, the minimum insurance record shall be increased annually by two months per year; for a person who has reached the age of 36, the minimum insurance record shall be increased annually by six

months per year (Annex 6 to this Law) but may not exceed the minimum insurance record established for an old-age pension (Paragraph 1 of Article 16 of this Law).

2. The obligatory insurance record for a work incapacity pension shall be established as follows: before the person reaches the age of 24 – one year; for a person who has reached the age of 24, the obligatory insurance record shall be increased annually by four months each year of the age of the person; for a person who has reached the age of 30, the obligatory insurance record shall be increased annually by six months each year of the age of the person; for a person who has reached the age of 34, the obligatory insurance record shall be increased annually by eight months each year of the age of the person; for a person who has reached the age of 40, the obligatory insurance record shall be increased annually by twelve months each year of the age of the person (Annex 6 to this Law) but may not exceed the obligatory insurance record established for an old-age pension (Paragraph 2 of Article 57 of this Law; Annex 5 to this Law).

3. Persons suffering from pituitary dwarfism shall be entitled to a work incapacity pension when they reach the age that is 10 years short of the old-age retirement age established in this Law.

#### **Article 29. Calculation of the general part of a work incapacity pension**

The amount of the general part of a work incapacity pension shall be calculated according to the following formula:  $d \cdot \beta \cdot B$ , where:

- 1) B is the basic pension amount effective in the month for which the pension is paid;
- 2) d is the multiplier of the work incapacity level specified in Annex 3 to this Law;
- 3)  $\beta$  is the multiplier of the ratio of the acquired and obligatory insurance record of the person, which shall be established in accordance with the following procedure:

a) where at a certain time a person becomes entitled to a work incapacity pension, the insurance record of the person is not longer than the obligatory insurance record for an old-age pension effective at that time (Paragraph 2 of Article 57 of this Law; Annex 5 to this Law), the multiplier  $\beta$  shall be equal to the ratio of the insurance record acquired by the person and the obligatory insurance record for a work incapacity pension for that person, but not more than one;

b) where at a certain time a person becomes entitled to a work incapacity pension, the insurance record of the person is longer than the obligatory insurance record for an old-age pension effective at that time (Paragraph 2 of Article 57 of this Law; Annex 5 to this Law), the multiplier  $\beta$  shall be equal to the ratio of the insurance record acquired by the person and the obligatory insurance record for entitlement to an old-age pension.

#### **Article 30. Calculation of the individual part of a work incapacity pension**

1. The amount of the individual part of a work incapacity pension shall be calculated according to the following formula:  $N \cdot p \cdot d$ , where:

1) N is the number of a person's points applicable to a work incapacity pension calculated as the sum of the pension points acquired by the person, work incapacity pension points, and temporal pension points;

2) p is the value of a pension point effective in the month for which the pension is paid;

3) d is the multiplier of the work incapacity level specified in Annex 3 to this Law.

2. The number of work incapacity pension points shall be determined as the product of the average of the substitute pension points (Article 31 of this Law) and the difference between the old-age retirement age established for the person and the age of the person when he becomes entitled to a work incapacity pension. In those cases when a person is recognised as capable of work and later on is assigned a work capacity level, the number of work incapacity pension points shall be recalculated, in accordance with the procedure established in this paragraph, in accordance with the age of the person on the day when he is again recognised as incapable or partially capable of work.

3. If the country's average wage necessary for the calculation of all acquired pension points has not yet been published at the time of the award of a work incapacity pension, the last announced amount of the country's average wage shall apply to the calculation of the average number of substitute pension points. The individual part of a work incapacity pension shall be calculated in accordance with the number of pension points known at the time of award and the number of work incapacity pension points calculated in accordance with the procedure established in Article 31 of this Law. Upon the publication of the country's average wage for the previous year, the number of pension points acquired by the person shall be increased correspondingly, while the number of work incapacity pension points shall not change. The recipient of the pension shall be paid the whole difference that has accumulated from the day of the award of the pension.

### **Article 31. Determination of the average number of substitute pension points**

1. If the person has not reached the age of 22 at the time of the determination of the work capacity level, the average number of substitute pension points shall be determined in accordance with the following procedure:

1) The pension points acquired by the person in each calendar year preceding the year of the determination of the work capacity level (including the year of the determination of the work capacity level) are evaluated;

2) The biggest of these values shall be considered to be the average number of substitute pension points, but it may not be smaller than 0.5.

2. If the person has reached the age of 22 but has not reached the age of 26 at the time of the determination of the work capacity level, the average number of substitute pension points shall be determined in accordance with the following procedure:

1) The pension points acquired by the person in each calendar year preceding the year of the determination of the work capacity level (including the year of the determination of the work capacity level) are evaluated;

2) The biggest values of pension points for two years are determined (if pension points in only one year have been acquired, the second value shall be considered as zero);

3) The average of the biggest values of pension points for two years shall be considered to be the average number of substitute pension points, but it may not be smaller than 0.5.

3. If the person has reached the age of 26 and above at the time of the determination of the work capacity level, the average number of substitute pension points shall be determined in accordance with the following procedure:

1) To calculate the average number of substitute pension points, all pension points acquired by the person from the beginning of the year when the person reached the age of 24 are summed up;

2) The received sum is divided by the number of years that passed from the beginning of the year when the person reached the age of 24 to the day of determination of the work capacity level (including the respective part of the year when the work capacity level was determined for the person);

3) If the person has acquired pension points before reaching the age of 24, the calculation of the average number of substitute pension points may include the biggest values of pension points for three years (if pension points in only one year or two years have been acquired, the other values shall be considered as zero); In this case, the sum of the acquired pension points is divided by the number of years that passed from the beginning of the year when the person reached the age of 21 to the day of determination of the work capacity level (including the respective part of the year when the work capacity level was determined for the person);

4) The bigger of the values calculated in accordance with Subparagraph 2 or 3 of this paragraph shall be considered to be the average number of substitute pension points.

4. When determining the average number of substitute pension points, pension points acquired by the person that have not been reduced due to the participation of the person in the accumulation of pensions shall be used.

**Article 32. Determination of temporal pension points**

Temporal pension points shall be calculated as the difference between pension points, which would have been acquired during the insurance period of the person before the award of the work incapacity pension if the person had not participated in the accumulation of pensions, and the pension points acquired by the person.

**Article 33. Adjustment of the amount of a work incapacity pension**

From 1 July of each calendar year starting 2019, the amount of a work incapacity pension shall be adjusted every year, taking into account the insurance record and number of pension points acquired by the person after the award of the pension:

1) Where this is of benefit to the person, the general part of the work incapacity pension shall be calculated in accordance with the procedure established in Article 29 of this Law, including additionally acquired insurance record and applying to that person the requirements for the obligatory insurance record for a work incapacity pension in accordance with his age as of 1 January of the current year;

2) The individual part of a work incapacity pension shall be calculated in accordance with the procedure established in Article 30 of this Law, while increasing the number of pension points acquired by January 1 of that year in accordance with the procedure established in Article 13 of this Law, and reducing the number of work incapacity pension points by the average value of substitute pension points.

**Article 34. Right to choose between an old-age pension for a disabled person and an old-age person**

1. A person receiving a work incapacity pension in accordance with this Law, having acquired the right to receive an old-age pension, has the right to choose an old-age pension to be awarded and calculated in accordance with the procedure established by this Law, or an old-age pension for a disabled person, which shall be calculated in accordance with the following procedure:

1) The general part of an old-age pension for a disabled person shall be calculated in accordance with the procedure established in Article 17 of this Law, including in the insurance record the year of receipt of the work incapacity pension before reaching the old-age retirement age, and applying the requirement for the obligatory insurance record as well as multiplying the obtained value by the work incapacity level multiplier d (Annex 3 to this Law), according to which the work incapacity pension was calculated before reaching **the old-age retirement age;**

2) The general part of an old-age pension for a disabled person shall be calculated in accordance with the procedure established in Article 17 of this Law, not including temporal points, while adding the remaining work incapacity pension points to the acquired pension points and multiplying the obtained value by the work incapacity level multiplier d (Annex 3 to this Law), according to which the work incapacity pension was calculated before reaching the old-age retirement age.

2. If the person chooses receiving an old-age pension for a disabled person, the pension shall be adjusted in accordance with the procedure established in Article 19 of this Law.

## **CHAPTER IV**

### **WIDOW'S/WIDOWER'S AND ORPHAN'S PENSIONS**

#### **Article 35. Entitlement to a widow's/widower's and orphan's pension**

1. The spouse and children (adopted children) of the deceased (declared dead in accordance with the established procedure) specified in Articles 36 and 38 of this Law shall be entitled to a widow's/widower's and orphan's pension provided that the deceased person met the following conditions as of the day of death:

1) The person had acquired the right to receive a work incapacity (disability) pension or an old-age pension (with regards to the age of the deceased) or received one of these pensions;

2) The deceased acquired the minimum insurance record for the pension of the respective type when working in undertakings, agencies, organisations of Lithuania, the European Union, and the European Economic Area (except for persons who, by the day of death, had received a work incapacity (disability) or old-age pension awarded and/or paid in accordance with this Law or in accordance with pension laws that were effective in the Republic of Lithuania before 1 January 1995 as well as political prisoners and deportees rehabilitated in accordance with the procedure established by the laws of the Republic of Lithuania, who acquired a part of their insurance record during their imprisonment or deportation and to whom the condition to acquire the minimum insurance record when working in undertakings, agencies, organisations of Lithuania, the European Union, and the European Economic Area does not apply).

2. The provisions specified in Paragraph 1 of this Article in respect of awarding a widow's/widower's pension to the spouse of a deceased person indicated in Article 36 of this Law shall not apply if the person deceased before 1 June 1991.

3. A widow's/widower's and orphan's pension shall not be awarded, and payment of an awarded pension shall be terminated in respect to persons who have been recognised by a court

order as guilty for a deliberate deprivation of life of the person for whom the pension is to be awarded and paid.

4. The right to receive a widow's/widower's and orphan's pension in accordance with the procedure established in this Law shall be acquired by persons residing in states in which they are not subject to the provisions of the international agreements of the Republic of Lithuania or the EU regulations on the co-ordination of social security systems in respect of the payment of pensions as well as persons whose right to receive a widow's/widower's and orphan's pension in case of death of a person specified in Paragraph 2 of Article 3 of the Law (or a person declared dead in accordance with the established procedure) if the deceased (a person declared dead in accordance with the established procedure) had acquired at least the minimum insurance record to receive a pension of the respective type (with regard to the age of the person as on the day of the death (declared dead) when working in Lithuanian undertakings, or a political prisoner or deportee who acquired a part of the insurance record during imprisonment or deportation.

#### **Article 36. Persons entitled to a widow's/widower's pension**

1. The right to receive a widow's/widower's pension shall be enjoyed by the following persons:

1) A widow or widower who has reached the old-age retirement age, regardless of their age when the death of their spouse occurred;

2) A widow or widower rated as incapable or partially capable of work (before 1 July 2005 – invalids) provided that they meet one of the following conditions:

a) were rated as incapable or partially capable of work (before 1 July 2005 – invalids) before the death of the spouse or rated incapable or partially capable of work (before 1 July 2005 – invalids) within 5 years from the day of the death of the spouse;

b) were rated as incapable or partially capable of work (before 1 July 2005 – invalids) when they stayed at home nursing the deceased person's children (adopted children) under the age of 18 rated as disabled (before 1 July 2005 – invalids) as well as the deceased person's children (adopted children) rated as having lost 75–100 per cent of work capacity (before 1 July 2005 – Group I invalids) where such children (adopted children) were recognised as disabled (before 1 July 2005 – Group I invalids) until they reached the age of 18.

2. Entitlement to a widow's/widower's pension shall be preserved where a widow or widower rated as capable of work after the awarding of a widow's/widower's pension are again rated as incapable or partially capable of work before the lapse of 3 years of the discontinuation of the payment of a widow's/widower's pension. If the widow or widower reaches the old-age

retirement age during the period when they receive a widow's/widower's pension, the right to receive a widow's/widower's pension that had been awarded to them and paid up to reaching the old-age retirement age shall remain for life.

3. A widow or widower who did not have common children with the deceased spouse shall be entitled to a widow's/widower's pension only in case when at least one year has passed since the registration of the marriage in accordance with the established procedure to the day of the registration of the spouse's death.

4. In the event of remarriage, a widow's/widower's pension shall not be awarded to a widow or widower, and the payment of the pension already awarded shall be discontinued.

### **Article 37. Amount of a widow's/widower's pension**

1. For a widow or widower who are entitled to a widow's/widower's pension, a widow's/widower's pension shall be awarded in the basic amount of a widow's/widower's pension.

2. The basic amount of a widow's/widower's pension shall be 21 euros. The basic amount of a widow's/widower's pension shall be indexed in accordance with the procedure established in Article 8 of this Law.

### **Article 38. Persons entitled to an orphan's pension**

1. The right to receive an orphan's pension shall be enjoyed by the deceased person's children and adopted children under 18 as well as those above this age if they are recognised as incapable or partially capable of work (before 1 July 2005 – invalids) before the day (inclusively) when they reach the age of 24 as well as those who, due to the consequences of an illness or injury that occurred before they reached the age of 24, are recognised as incapable or partially capable of work (before 1 July 2005 – invalids) after the day when they reach the age of 24 but not later than the day (inclusively) when they reach the age of 26 and if they are permanently incapable or partially capable of work (disabled) from the day of being recognised as disabled.

2. The pupils of general education programmes or formal vocational education programmes of education establishments as well as students of full-time study programmes who have reached the age of 18 have the right to receive an orphan's pension before finishing learning or studies under these programmes (except for students of general education programmes who have the right to receive an orphan's pension until August 31 of the year of

completion of their education under these programmes) but no longer until they reach the age of 24.

3. The right to receive an orphan's pension shall remain when an orphan recognised as incapable or partially capable of work (before 1 July 2005 – invalids) reaches the old-age retirement age during the period of receiving the orphan's pension.

### **Article 39. Calculation and amount of an orphan's pension**

1. For a person entitled to the orphan's pension, this pension shall be awarded in the amount of 50 per cent of the amount of the general and individual parts of the pension that the deceased person had received or could be entitled to:

1) Upon the death of the recipient of an old-age, work incapacity (disability) or early old-age pension, an orphan's pension shall be calculated on the basis of the amounts of the general and individual parts of the pension that had been received by the deceased;

2) Upon the death of the person who had already reached the old-age retirement age but did not receive an old-age pension, an orphan's pension shall be calculated on the basis of the amounts of the general and individual parts of the old-age pension that could be payable to the deceased;

3) Upon the death of the person who had not yet reached the old-age retirement age, an orphan's pension shall be calculated on the basis of the amounts of the general and individual parts of the work incapacity pension that could be payable to the deceased as payable to persons who lost 60 per cent of work capacity (the amount of the pension of the second group of disability).

2. The amount of an orphan's pension shall be 50 per cent of the amount of the general and individual parts of the pensions specified in Paragraph 1 of this Article. If more two or more children (adopted children) are entitled to such a right, each of them shall be awarded an equal portion but not more than 100 per cent of the whole amount of the general and individual parts of the calculated work incapacity (disability) or old-age pension. If after the award of an orphan's pension another (other) orphan (orphans) applies (apply) for its award or renewal of its payment and this results in the reduction of the part of the work incapacity (disability) or old-age pension, the orphan's pension shall be recalculated from the first day of the month following the month when the new application with all necessary documents is received.

3. Upon the death of a person who had previously received an early old-age pension, the orphan's pension shall be calculated with regard to the amount of the old-age, work incapacity or disability pension received by the deceased person or the amount of the work incapacity pension (if the person deceased before 1 July 2005 – invalids) or old-age pension which could be payable

to the deceased person as calculated in accordance with the procedure established in Article 23 of this Law.

4. Orphan's pensions to orphans who have lost both parents (adoptive parents) shall be awarded for each of the deceased parents (adoptive parents) separately.

5. Upon indexing the amount of the basic pension and the value of a point, orphan's pensions shall be calculated correspondingly in accordance with the new values of these indicators.

## **CHAPTER V**

### **AWARD, PAYMENT, AND REVISION OF SOCIAL INSURANCE PENSIONS AND CONSIDERATION OF DISPUTES CONCERNING PENSIONS**

#### **Article 40. Award and revision of state social insurance pensions**

1. The pensions shall be awarded and paid by the administrations of the State Social Insurance Fund in accordance with this Law and the Regulations for the Awarding and Payment of State Social Insurance Pensions approved by the Government.

2. The administrations of the State Social Insurance Fund shall deliver the pensions in accordance with the procedure established by the State Social Insurance Fund Board and coordinated with the Council.

3. When applying for a pension, all the documents indicated in the Regulations for the Awarding and Payment of State Social Insurance Pensions and necessary for the awarding of the pension must be submitted.

4. The administrations of the State Social Insurance Fund, within the time period established in the Regulations for the Awarding and Payment of State Social Insurance Pensions, must take a decision on the award of a pension or a decision to refuse to award a pension and communicate the decision to the applicant in writing. In case of refusal to award a pension, the reason for the refusal must be indicated.

5. If additional data on the insurance record and/or wage for the periods preceding the award of the pension are provided, the general and/or individual parts of the old-age or work incapacity pension of the person (Articles 17, 18, 29, and 30 of this Law) shall be established anew with regard to the additional data on the insurance record and/or wage.

**Article 41. Time limits for the awarding and payment of a pension**

1. Applications for the awarding of a pension may be filed three months before a person becomes entitled to the state social insurance old-age pension or at any other time after a person becomes entitled to the state social insurance pension.

2. In accordance with this Law, a pension shall be awarded and paid from the day when a person becomes entitled to the pension but not more than 6 months before the day of the application for the pension, except for the case provided for in Paragraph 3 of this Article.

3. An early old-age pension shall be awarded and paid from the day when the person who has the right to receive the pension applies for its award. The early old-age pension shall be paid until the day of reaching the old-age retirement age.

4. In case of the deferred entitlement or payment of an old-age pension, the procedure for the award and payment of an old-pension established in Article 24 of this Law shall apply.

5. Pensions shall be awarded either for lifetime or for a period during which the recipient of the pension, in accordance with this Law, retains the right to receive the awarded pension, except for the case provided for in Paragraph 6 of this Article. The administration of the State Social Insurance Fund paying the pension must inform the recipient of the pension about the expiration of the pension award period one month in advance in writing or by other means of communication.

6. A work incapacity pension shall be awarded and paid to a person until the end of the established work capacity level period. A work incapacity pension to a person suffering from pituitary dwarfism awarded in accordance with Paragraph 3 of Article 27 of this Law shall be paid until the day of reaching the old-age retirement age.

7. Upon the expiry of a time limit for the awarding of a pension, payment thereof shall be discontinued if a recipient of the pension is no longer entitled to it. Before the end of the pension award period, the payment of a pension shall be suspended and the pension shall not be paid if the recipient of the pension fails to comply with the condition specified in Subparagraph 1 of Paragraph 1 of Article 3 of this Law, is acknowledged by a court decision as a missing person, or data are received about circumstances forming grounds to decide that the recipient of the pension has lost the right to receive the pension. The payment of the pension shall be suspended from the first day of the month following the month when the circumstances provided for in this paragraph arose.

8. If the recipient of the pension applies for the extension of the payment of the pension with a delay, the pension shall be paid without interest for the whole time but not longer than for 3 years from the day of the application provided that the recipient of the pension retained the right to receive the pension.

9. In case of death of the recipient of the pension the persons who have buried him shall be paid a pension for the month of death, if it has not been paid, and an amount at the monthly rate of the awarded pension.

10. If the amounts of the general and/or individual parts of an old-age or work incapacity pension increase with regard to the newly provided data (Paragraph 5 of Article 40 of this Law), payment of the general and/or individual part(s) of the old-age or work incapacity pension of the new amount shall start from the first day of the month following the month when the data (all necessary documents) were provided.

**Article 42. Award of a pension to the recipient of a pension moving abroad and payment of pension in case when the recipient of a pension moves for residence abroad (moves for residence to the Republic of Lithuania)**

1. If a person resides in a foreign state where the provisions of the international agreements of the Republic of Lithuania on the payment of pensions or of the EU regulations on the co-ordination of social security systems apply, a pension shall be awarded in accordance with this Law and the provisions of the international agreements of the Republic of Lithuania on the payment of pensions or the EU regulations on co-ordination of social security systems.

2. If a person resides in a foreign state where the provisions of the international agreements of the Republic of Lithuania on the payment of pensions or of the EU regulations on co-ordination of social security systems do not apply, a pension shall be awarded in accordance with the provisions of Paragraph 2 of Article 3 for the periods of insurance record specified in Article 10 of this Agreement and Annex 2 to this Agreement.

3. Where a recipient of a pension moves to permanently reside in another state, he shall be paid a pension awarded to him provided that the pension recipient has acquired at least the minimum state social pension insurance record required for the pension of an appropriate type or the entire state social pension insurance record while working in Lithuanian undertakings or the pension recipient is a rehabilitated political prisoner or deportee who has acquired a part of the record during imprisonment or at the place of deportation. In the cases when a recipient of a pension acquired at least the minimum state social pension insurance record for the pension of an appropriate type while working in Lithuanian undertakings, but the periods held equivalent to this record and acquired while working in other states were included in his state social pension insurance record, the pension (after the entry into force of this Law, the general part of the awarded pension) shall be recalculated only according to data of the state social pension insurance record acquired while working in the Lithuanian undertakings and the recalculated

pension shall be paid (after the entry into force of this Law, the recalculated part of the general part of the awarded pension, without recalculating the individual part of the pension).

4. When a widow's/widower's or orphan's pension is awarded to a recipient of the pension moving for permanent residence to a foreign state, the awarded widow's/widower's or orphan's pension shall be paid if the deceased (proclaimed as deceased in accordance with the established procedure) complied with the conditions specified in Paragraph 4 of Article 35 of this Law. If a widow's/widower's or orphan's pension was awarded before 1 January 2007 or a widow's/widower's or orphan's pension was awarded for the minimum insurance record of the deceased (proclaimed as deceased in accordance with the established procedure) for receiving a pension of an appropriate type when working in Lithuanian undertakings, but the periods held equivalent to this record and acquired while working in other states (Annex 2 to this Law) were included in his state social pension insurance record, the widow's/widower's or orphan's pension (after the entry into force of this Law, the general part of the awarded pension) shall be recalculated only in accordance with the data on the insurance record acquired in Lithuanian undertakings and the recalculated pension shall be paid (after the entry into force of this Law, the recalculated part of the general part of the awarded pension, without recalculating the individual part of the pension).

5. In other cases, the pension shall be paid for six months ahead in the amount of the pension received in the month of departure, and its payment shall be discontinued thereafter.

6. A recipient of a pension who, after he moved to permanently reside in another state, was paid a pension according to Paragraph 1 of this Article or was awarded and paid as to a person permanently residing in another state in accordance with Paragraph 2 of Article 3 of this Law, shall continue to be paid this pension upon returning (arriving) to reside in the Republic of Lithuania regardless of whether the recipient of a pension has the status of a permanent resident of the Republic of Lithuania.

7. The provisions of this Law in respect of the payment of a pension to a recipient of the pension upon moving for residence to a foreign state shall apply only in those cases when the recipient of the pension moves to a foreign state where the provisions of the international agreements of the Republic of Lithuania on the payment of pensions or of the EU regulations on co-ordination of social security systems do not apply. Upon the accession of the Republic of Lithuania to international conventions or upon the conclusion of international treaties concerning the payment of pensions, the pension shall be paid so as it is established in the international conventions or agreements.

#### **Article 43. Overpayment or underpayment of a pension**

1. The amount of a pension that was not timely received through the fault of the pension awarding or paying institution shall be paid for the past periods without any time limitations.

2. The recipient of the pension must inform the administration of the State Social Insurance Fund, which pays him the pension, within 10 days from the day of the emergence of these circumstances, on the circumstances that influence the amount or payment of the pension. Where a pension is overpaid as a result of the failure to give notice of such circumstances in due time, the amount overpaid shall be recovered from the recipient by a decision of the head of the administration of the State Social Insurance Fund paying the pension.

3. If the pension is overpaid through the fault of the pension awarding or paying institution, the overpaid amount shall not be recovered from the recipient of the pension.

4. Recovery from pensions according to executive documents shall be made in accordance with the procedure established by laws.

#### **Article 44. Appeals against decisions of State Social Insurance Fund administrations**

Appeals against decisions of the administrations of the State Social Insurance Fund concerning the awarding and payment of pensions may be brought to the State Social Insurance Fund Board in accordance with the procedure established by the Law on State Social Insurance.

### **CHAPTER VI**

#### **PAYMENT OF PENSIONS AWARDED BEFORE THE ENTRY INTO FORCE OF THIS LAW**

#### **Article 45. Payment of the general part of social insurance pensions instead of the basic part of the pension and a bonus for the length of the record**

1. From the entry into force of this Law, the general part of the pension to persons to whom an old-age pension has already been awarded shall be calculated in accordance with the formula  $\beta \cdot B$ , where:

1)  $\beta$  – to persons who has an insurance record of less than 30 years, it is the ratio of the insurance record of the person and the obligatory insurance record effective in the year of the old-age pension entitlement (see Annex 5 to this Law), which may not be greater than one; to persons who have an insurance record of 30 years and above, it is the ratio of the insurance record of the person and 30 years;

2)  $B$  is the basic pension amount effective in the month for which the pension is paid.

2. If, from the last award of an old-age pension to the entry into force of this law, the person had insured income, from which pension social insurance contributions were paid, or was covered by pension social insurance, the data on the insurance record shall be updated on 31 December 2017 and apply in calculating the general part of the pension in accordance with Paragraph 1 of this Article.

3. The bonus for the length of the record after the entry into force of this Law shall not be paid, except for the cases provided for in Article 60 of this Law. The general part of the pension calculated in accordance with the procedure established in Paragraph 1 of this Article shall be paid for the insurance record of a person exceeding 30 years.

4. The general part of an early old-age pension awarded in accordance with the Law of the Republic of Lithuania on the Early Payment of State Social Insurance Pension (hereinafter referred to as “the Law on Early Payment”) shall be calculated in accordance with the procedure established in Paragraph 1 of this Article and reduced by the number of percentage points by which the early old-age pension was reduced at the time of its award (renewal of payment).

5. From the entry into force of this Law, for persons to whom a work incapacity (disability) pension was already awarded, the general part of the work incapacity pension shall be paid in the amount of the basic part paid in December 2017 and a bonus for the length of the record.

6. If the general pension part calculated in accordance with the procedure established by this Article is smaller than the previously paid basic part of the pension and the bonus for the length of the record (if the bonus was paid), payment of the basic part of the pension and the bonus for the length of the record shall be continued. In this case, the sum of the amounts of the basic part of the pension paid in December 2017 and a bonus for the length of the record (if the bonus was paid) shall be considered to be the general pension part.

**Article 46. Determination of the number of pension points of a person to whom an old-age pension was awarded before the entry into force of this Law**

1. The product of the insurance record of the person and the coefficient of a person’s insured income, according to which the additional part of the old-age pension was paid in December 2017, shall be considered as the number of pension points acquired by the person to whom an old-age pension was awarded before the entry into force of this Law as of 31 December 2017.

2. When before the entry into force of this Law the person was paid an old-age pension calculated in accordance with the data on the insurance record and the coefficient of a person’s insured income for a period before 1994 and after that year, the sum of the products of the

insurance record and coefficients of a person's insured income for the periods before 1994 and after that year shall be calculated instead of the product specified in Paragraph 1 of this Article.

3. If the coefficient of a person's insured income for the period before 1994 was increased with application of the provisions for the increase of old-age and disability pensions from 1 March 2004, the increased coefficient shall be taken in calculating the product with application of the provisions of this Article.

4. If, from the last award of an old-age pension to 31 December 2017, the person had insured income, from which pension social insurance contributions were paid, or was covered by pension social insurance, the data on the insurance record and the coefficient of a person's insured income shall be revised taking into account this insured income. The revised data shall be applied in calculating the number of pension points in accordance with Paragraphs 1 and 2 of this Article only in case when the number of pension points calculated in accordance with the updated data is greater than that calculated in accordance with non-renewed data (those applied in December 2017).

5. The number of pension points acquired by the person as of 31 December 2017 calculated in accordance with the procedure established in this Article, multiplied by the adjustment coefficient of 0.78, shall be considered as the number of pension points acquired by the person as of the day of the entry into force of this Law.

6. If the individual part of the pension calculated on the basis of pension points determined in accordance with the procedure established in this Article is smaller than the previously paid additional part of the pension of the old-age pension, payment of the additional part of the pension in the previously awarded amount shall apply. In this case, the amount of the additional part of the old-age pension paid in December 2017 shall be considered as the individual part of the pension.

**Article 47. Determination of the number of pension points of a person, to whom a work incapacity (disability) pension was awarded before the entry into force of this Law, in awarding a work incapacity pension in accordance with this Law**

1. The pension points of a person, to whom a work incapacity (disability) pension was awarded before the entry into force of this Law, as of 31 December 2017 shall be considered as the value calculated in accordance with the following formula:  
 $S1 \cdot K + S2 \cdot K$ , where:

1) S1 is the insurance record acquired before the award of the work incapacity pension;

2)  $S_2$  is the number of years left until the old-age retirement age included into the person's insurance record at the time of the award of the work incapacity pension;

3)  $K$  is the coefficient of a person's insured income for the period from 1994, according to which the pension was paid in December 2017.

2. If in December 2017 the person was paid a work incapacity (disability) pension calculated in accordance with the coefficients for the periods before 1994 and thereafter, instead of the product  $S_1 \cdot K$ , the product  $S_4 \cdot K_4 + S_5 \cdot K$  shall be calculated, where:

1)  $S_4$  is the insurance record acquired by the person before 1994 and included at the time of the award of the work incapacity pension;

2)  $K$  is the coefficient of a person's insured income for the period before 1994;

3)  $S_5$  is the insurance record acquired from 1994 to the time of award of the work incapacity pension.

3. If, before the award of the work incapacity pension, the person had selected participation in the accumulation of pensions in accordance with the Law of the Republic of Lithuania on the Reform of the Pension System (hereinafter referred to as "the Law on the Reform of the Pension System"), the coefficient of a person's insured income  $k$  shall be reduced due to participation in the accumulation of pensions in accordance with the procedure applicable before the entry into force of this Law. In this case, the number of pension points acquired as of 31 December 2017 shall be considered as the product  $S_1 \cdot k + S_2 \cdot K$  (in the case specified in Paragraph 2 of this Law,  $S_4 \cdot K_4 + S_5 \cdot k + S_2 \cdot K$ ), and the number of temporal points shall be considered as the product  $S_5 \cdot (K - k)$ .

4. If, from the date of the last award of a work incapacity pension to 31 December 2017, the person had insured income, from which pension social insurance contributions were calculated, the annual coefficients of insured income shall be calculated for the person for each year (for those participating in the accumulation of pensions, the coefficients reduced in accordance with the procedure established in Paragraph 3 of this Article). If the annual coefficient of insured income for any year is greater than the coefficient of a person's insured income, according to which the work incapacity pension was paid to the person that year, the difference shall be added to the value specified in Paragraph 1 of this Article.

5. On the day of the entry into force of this Law the points calculated in accordance with this Article and multiplied by the adjustment coefficient 0.78, shall be considered as acquired and temporal pension points of the person.

**Article 48. Payment of the individual part of the pension to a person to whom an old-age, early old-age, or work incapacity (disability) pension was awarded before the entry into force of this Law**

1. From the entry into force of this Law, the individual part of the old-age pension shall be paid in accordance with this Law, with regard to the number of points calculated in accordance with the procedure established in Article 46 of this Law.

2. From the entry into force of this Law, the individual part of the early old-age pension awarded in accordance with the Law on Early Payment shall be paid in accordance with this Law, with regard to the number of pension points calculated in accordance with the procedure established in Article 46 of this Law. The individual part of an early old-age person shall be reduced by the number of percentage points by which the early old-age pension was reduced at the time of award (renewal).

3. From the entry into force of this Law, the individual part of a work incapacity (disability) person shall be paid in the amount of the additional part of the pension paid in December 2017.

**Article 49. Award of a work incapacity pension in accordance with the provisions of this Law, when the work incapacity percentage changes or a new work capacity level period is established for a person who had been awarded a work incapacity pension before the entry into force of this Law**

1. In case of change of the work incapacity percentage or establishment of a new work capacity level period, the work incapacity pension shall be awarded in accordance with the provisions of this Law.

2. The general part of the pension shall be calculated in accordance with Article 29 of this Law, while including in the insurance record the whole insurance record acquired by the person before the award of the pension and the whole work incapacity pension receipt period as well as with application of the requirements for the obligatory insurance record established by this Law to the person of that age to whom the work incapacity pension is being awarded.

3. The individual pension part shall be calculated in accordance with Article 30 of this Law, while considering that the number of points acquired by the person is the value calculated in accordance with the following formula:

$AV3 + 0.78 \cdot S3 \cdot K$ , where:

1) AV3 is the number of pension points acquired by the person before the entry into force of this Law (Article 47 of this Law);

2) S3 is the number of years from the entry into force of this Law to the award of the work incapacity pension in accordance with this Law;

3) K is the coefficient of a person's insured income for the period after 1994, according to which the pension was paid in December 2017.

4. The coefficient of a person's insured income according to which the pension was paid in December 2017, multiplied by the adjustment coefficient of 0.78, shall be considered as the average number of substitute pension points.

5. The number of work incapacity pension points shall be considered as the product of the average number of substitute pension points (Paragraph 4 of this Article) and the difference between the old-age retirement age established for the person and the age of the person in the year when a work incapacity pension is awarded in accordance with the provisions of this Law.

6. The value calculated in accordance with the procedure established in Paragraph 3 of Article 47 of this Law shall be considered to be the number of temporal pension points.

7. If the work incapacity pension (the sum of both parts) calculated in accordance with this Article upon the establishment of a new, higher work incapacity percentage is smaller than the previously paid one, the payment of the pension in the previous amount shall be continued for the person from the day of the establishment of the new work incapacity percentage.

**Article 50. Revision of the amounts of old-age and work incapacity (disability) pensions awarded before the entry into force of this Law**

1. If additional data on the insurance record and/or wage for the periods preceding the award of the pension are provided, the general and/or individual parts of the pension of a person to whom an old-age or work incapacity (disability) pension was awarded before the entry into force of this Law (Articles 45, 46, 47, and 48 of this Law) shall be established anew with regard to the additional data on the insurance record and/or wage (the coefficient of a person's insured income). Data on the wage received before 1 January 1994 may be provided only in case if on 31 December 2017 the additional part of the old-age or work incapacity (disability) pension, in accordance with the provisions of the legislative acts effective at that time, consisted of two separate parts.

2. If the amounts of the general and/or individual parts of an old-age or work incapacity (disability) pension increase with regard to the newly provided data, the general and/or individual part(s) of the old-age or work incapacity (disability) pension at the new amount shall start from the first day of the month following the month when the person provided the new data (all necessary documents).

**CHAPTER VII**  
**PRESERVATION OF THE RIGHTS ACQUIRED BEFORE THE ENTRY INTO FORCE**  
**OF THIS LAW**

**Article 51. Determination of the number of pension points of a person to whom a social insurance pension was not awarded before the entry into force of this Law**

1. The number of pension points of a person to whom a social insurance pension was not awarded before the entry into force of this Law shall be calculated in accordance with the following formula:

$AV1 + (AV1 : S1) \cdot S2$ , where:

1) AV1 is the value received by summing up the insured income of the person during the period from 1 January 1994 to 31 December 2017 as recorded in the information system of the State Social Insurance Fund for each calendar year (including the alternate income calculated in accordance with the coefficient of a person's insured income recorded in the work incapacity pension file) divided by 12 values of the insured income for the respective years (before 2002 – by 12 average values of the insured income for those years);

2) S1 is the number of years during the period 1994–2017 included in the insurance record for the person;

3) S2 is the number of years before 1 January 1994 included in the insurance record for the person.

2. If no data on the insurance record of the person before 1 January 1994 are available, the value AV1 shall be considered as the points acquired by him as of 31 December 2017 until the person provides documents proving the data on the insurance record before 1994 and, upon the provision of such, the number of points shall be calculated in accordance with the formula indicated in Paragraph 1 of this Article.

3. If the person has selected participation in the accumulation of pensions in accordance with the Law on the Reform of the Pension System, the number of pension points shall be calculated in accordance with the following formula:

$AV2 + (AV1 : S1) \cdot S2$ , where:

1) AV2 is the value received by summing up the insured income of the person during the period from 1 January 1994 to 31 December 2017 as recorded in the information system of the State Social Insurance Fund for each calendar year multiplied by the multiplier of the participant, specified in Annex 4 of this Law, in the accumulation of pensions for the respective year and

divided by 12 values of the insured income for the respective years (before 2002 – by 12 average values of the insured income for those years); If the pension accumulation contribution was transferred not from the whole insured income, only the part of the income on the basis of which the funded pension contribution was transferred to the pension fund shall be multiplied by the specified multiplier;

2) The values V1, S1, and S2 are defined in Paragraph 1 of this Article.

4. If the quotient  $AV1 : S1$  and/or the quotient  $AV2 : S1$  is greater than 5, the value AV1 shall be determined by multiplying S1 by 5 and/or the value AV2 shall be determined by multiplying S1 by 5.

5. The number of pension points of the person as of 31 December 2017 calculated in accordance with the procedure established in this Article, multiplied by the adjustment coefficient of 0.78, shall be considered as the number of pension points acquired by the person before the entry into force of this Law.

**Article 52. Calculation of a work incapacity pension in accordance with this Law when pension points acquired in 1994–2017 should be taken into account**

1. If for determination of the average number of substitute pension points in accordance with this Law it is necessary to take into account the data on the pension points of the person before the entry into force of this Law, the quotient of the personal insured income for that calendar year recorded in the information system of the State Social Insurance Fund (without deduction of the part paid for accumulation) and the insured income of that year (before 2002, the insured income of the months of that year), multiplied by the adjustment coefficient 0.78, shall be considered as the pension points acquired by the person in a calendar year.

2. When the age before acknowledging the person as incapable or partially capable of work, as specified in Article 31 of this Law, was reached by the person before 1994, for the calculation of the average number of substitute pension points, in accordance with Paragraph 1 of this Article, the period from 1994 shall apply.

**Article 53. Calculation of an old-age pension for a person to whom a work incapacity (disability) pension was paid before reaching the old-age retirement age**

1. When a person, to whom, in accordance with this Law, a work incapacity pension was awarded or was awarded anew because of the change of work incapacity percentage (Article 49

of this Law), becomes entitled to an old-age pension, this pension shall be calculated in accordance with Article 34 of this Law.

2. When a person, to whom a work incapacity (disability) pension was awarded before the entry into force of this Law and paid in accordance with Paragraph 5 of Article 45 and Paragraph 3 of Article 48 of this Law, becomes entitled to an old-age pension, it shall be calculated in accordance with Paragraphs 3, 4, and 5 of this Article.

3. The general part of the pension shall be calculated in accordance with Article 17 of this Law, while including in the insurance record the whole insurance record acquired by the person before the award of the work incapacity (disability) pension as well as the whole work incapacity (disability) pension receipt period before reaching the old-age retirement age and with application of the requirements for the obligatory insurance record established for an old-age pension.

4. The individual pension part shall be calculated in accordance with Article 18 of this Law. In applying this Article, the number of pension points acquired by the person shall be considered as the value calculated in accordance with the following formula:  $AV3 + 0.78 \cdot S3 \cdot K + AV4$ , where:

1) AV3 is the number of pension points acquired by the person before the entry into force of this Law (Article 47 of this Law);

2) AV4 is the number of pension points acquired by the person after the entry into force of this Law (Article 59 of this Law);

3) S3 is the number of years from the entry into force of this Law to the day of the award of the old-age pension;

4) K is the coefficient of a person's insured income for the period from 1994, according to which the pension was paid in December 2017.

5. If the calculated old-age pension is smaller than the work incapacity (disability) pension paid to the person before reaching the old-age retirement age, the payment of the work incapacity (disability) pension to the person shall be continued, while indexing it in accordance with the Article 8 of this Law.

**Article 54. Calculation of an old-age pension to a person who received an early old-age pension in accordance with the Law on Early Payment**

1. When a person, to whom, before the entry into force of this Law, an early old-age pension awarded in accordance with the Law on Early Payment was paid at the time of reaching the old-age retirement age, where such a pension was calculated in accordance with the provisions of Paragraph 4 of Article 45 and Paragraph 2 of Article 48 of this Law, reaches the

old-age retirement age, the payment of the pension awarded, calculated in accordance with the provisions of this Law (Paragraph 4 of Article 45 and Paragraph 2 of Article 48 of this Law) and indexed shall continue.

2. When the old-age retirement age is reached by a person who had been awarded an early old-age pension before the entry into force of this Law, and where after its award the person was covered by pension social insurance, or payment of the early old-age pension was suspended, the old-age pension for that person shall be calculated in accordance with the provisions of this Law, with application of the requirements for the obligatory insurance record for the award of an old-age pension, and shall be reduced by 0.4 per cent for each full month of the actual receipt of the old-age pension.

**Article 55. Calculation of an old-age pension to a person who deferred the payment of an old-age pension**

1. To a person who had deferred the award of a pension before the entry into force of this Law (before the receipt of the pension began), the old-age pension shall be awarded in accordance with this Law at the end of the agreed deferment period, while increasing it by 8 per cent for each year of deferment but not more than for 5 years.

2. To a person who, before the entry into force of this Law, had deferred the payment of a pension, the old-age pension upon the end of the agreed deferment period shall be paid in accordance with this Law, while increasing it by 8 per cent for each year of deferment but not more than for 5 years. When upon the deferment of an already received pension different percentages for the increase of the deferred pension were applied before the entry into force of this Law, the general and individual parts of the old-age pension calculated in accordance with the procedure established in Articles 45 and 46 of this Law shall be increased by the same number of percentage points as the old-age pension that had been paid before the entry into force of this Law was increased.

3. If an old-age pension was awarded and paid to a person before the entry into force of this Law in accordance with the deferment application, the general and individual parts of the old-age pension calculated in accordance with the procedure established in Articles 45 and 46 of this Law shall be increased by the same number of percentage points as the old-age pension that had been awarded and paid before the entry into force of this Law was increased.

**CHAPTER VIII  
TRANSITIONAL PROVISIONS**

**Article 56. Value of the basic pension and pension point**

1. From 1 January 2018, the following amount of the basic pension shall be established: 110 per cent of the basic pension that was effective in December 2017.

2. From 1 January 2018, the following value of a pension point shall be established: 0.5 per cent of the insured income that was effective in December 2017 divided by the adjustment coefficient of 0.78.

**Article 57. Old-age retirement age and regulation of the obligatory insurance record for an old-age pension**

1. From 1 January 2018, the old-age retirement pension shall be established as follows: for women – 62 years and 4 months; for men – 63 years and 8 months. From 1 January 2019 and on 1 January of each year, the old-age retirement age shall be increased each year as follows: for women – by four months per year; for men – by two months per year until reaching the age of entitlement to an old-age pension established in Article 15 of this Law, i.e. 65 years.

2. From 01 January 2018, the obligatory insurance record for an old-age pension shall be established as 30 years and 6 months and, each year beginning from 1 January 2019, shall be increased by six months each year until reaching the age established in Article 16 of this Law, i.e. 35 years (Annex 5) to this Law.

**Article 58. Payment of pensions not provided for in this Law and awarded in accordance with previously effective legislative acts**

1. In accordance with the procedure established by this Law, until the expiration of their payment periods or until their replacement with newly awarded old-age or work incapacity pensions in accordance with this law, the following pensions in accordance with the procedure established by this Law shall be paid and indexed:

1) Loss-of-breadwinner pensions awarded for persons who deceased before 1 January 1995 in accordance with the procedure that was in effect before 1 January 1995 (hereinafter referred to as “loss-of-breadwinner pensions”);

2) Service pensions awarded before 1 January 1995;

3) Disability pensions awarded before 1 July 2005.

2. The payment of widow's/widower's pensions awarded before 1 January 2017 shall continue in the amount of December 2017, without indexing or otherwise increasing them until the basic amount of the widow's/widower's pension (Paragraph 2 of Article 37 of this Law) begins to exceed the amount of the widow's/widower's pension being paid. When the basic amount of the widow's/widower's pension begins to exceed the amount of the

widow's/widower's pension being paid, the payment of the widow's/widower's pension shall continue at the basic amount of the widow's/widower's pension.

3. The payment of service pensions shall continue in accordance with the procedure that was effective until the entry into force of this Law. If the recipient of a service pension is acknowledged as incapable or partially capable of work or reaches the old-age retirement age, instead of a service pension, he may be awarded a work incapacity or old-age pension, or the service pension shall be recalculated into an old-age pension or work incapacity pension in accordance with the Law on Pensions that was effective until the entry into force of this Law.

**Article 59. Adjustment of the amounts of work incapacity and disability pensions awarded before the entry into force of this Law**

1. The amounts of pensions of persons who receive work incapacity or disability pensions awarded before the entry into force of this Law and to whom a pension was not awarded in accordance with Article 49 of this Law may be adjusted by including as many pension points per year as the value calculated in accordance with Article 13 of this Law exceeds  $0.78 \cdot K$ , where  $K$  is the coefficient of a person's insured income for the period after 1994, according to which a work incapacity or disability pension is paid.

2. For persons specified in Paragraph 1 of this Article, who acquired pension points after the entry into force of this Law, pension amounts shall be adjusted from 1 July of each calendar year, starting in 2019, by adding the product of the number of pension points acquired by the person (Paragraph 1 of this Article) and effective value of a pension point.

**Article 60. Payment of a pension to a person to whom an unrecalculated pension had been paid before the entry into force of this Law**

1. A pension awarded to a person before 1 January 1995 and not recalculated in accordance with the Law on Pensions (hereinafter referred to as "unrecalculated pension") that was effective from that date, shall be indexed in accordance with the procedure established in Article 8 of this Law each year from 1 January.

2. If a unrecalculated pension (without the bonus for the length of the record if the bonus had been awarded) exceeds the effective approved maximum amount of an unrecalculated pension or begins to exceed it after indexation, it shall be paid in the amount of the maximum unrecalculated pension until the pension recalculated for that person in accordance with the Law on Pensions that was effective before the entry into force of this Law (without a bonus for the

length of the record the bonus for the length of the record if the bonus had been awarded) begins to exceed the effective approved maximum amount of an unrecalculated pension. When a new maximum amount of unrecalculated pension is approved in accordance with the procedure established in Paragraph 3 of this Article, the unrecalculated pension (without the bonus for the length of the record if the bonus had been awarded) shall be indexed in accordance with the procedure established in Paragraph 5 of Article 8 of this Law without exceeding the new maximum amount of unrecalculated pension.

3. The maximum amount of unrecalculated pension shall be approved by the Council. The new amount of the maximum unrecalculated pension shall be considered the amount of the average old-age pension for four quarters of the previous calendar year with an accuracy of an integer.

## **CHAPTER IX**

### **COMPENSATION FOR SPECIAL WORKING CONDITIONS**

#### **Article 61. Compensation for special working conditions**

1. Persons to whom before 1 January 1995 no old-age or service pension, a pension of the Republic of Lithuania, or a personal pension was awarded or, after 1 January 1995, no permanent compensatory benefit for special working conditions was awarded and who worked under special working conditions established in this Article shall be granted the right to receive compensations payable on a monthly basis. The right to receive a social insurance pension shall be granted in accordance with the general order established in this Law.

2. To persons who, before 1 January 1995, had performed underground works, works under hazardous working conditions or in hot workshops specified in List No 1 of Production, Workshops, Professions, and Positions that was effective in Lithuania as well as to those who performed other works under severe working conditions specified in List No 2:

1) To men who had performed the works specified in List No 1 for at least 10 years, and to women who had performed the works specified in List No 1 for at least 7.5 years, the compensation shall be paid for 10 years;

2) To men who had performed the works specified in List No 2 for at least 12.5 years, and to women who had performed the works specified in List No 2 for at least 10 years, the compensation shall be paid for 5 years.

3. To flight and flight testing personnel: to men, who had performed the works specified in the List of the Positions of Flight and Flight Testing Personnel that was effective until 1 January 1995 for 25 years and to women who had performed the works according to the List for 20 years, the compensation shall be paid for 10 years.

4. The compensation shall be paid for 5 years to persons who until 1 January 1995 had performed the following works:

1) To persons who, for at least 15 calendar years, worked in the areas of the Far North of the former USSR or, for at least 20 years, worked to be considered as equivalent to such in accordance with the List of the Areas of the Far North and Locations of the Far North that was effective before 1 January 1995;

2) To women who, for at least 20 years, had worked at textile industry enterprises specified in the List of the Production and Professions of the Textile Industry that was effective in Lithuania;

3) To women who had worked for at least 15 years as tractor drivers in agriculture and other industries as well as operators of construction, road, and loading machines in accordance with the List of Production and Professions that was effective in Lithuania;

4) To actors who have certain insurance record that had granted the right to receive a service pension in accordance with the Provisions for the Award and Payment of Service Pensions to Personnel of Theatres and Other Theatrical Institutions that were effective before 1 January 1995;

5) To civil aviation personnel: to men who controlled air traffic and held a dispatcher certificate for at least 15 years and to women – for at least 10 years;

6) To civil aviation engineering and technical personnel who had performed the work in accordance with the List of the Positions of Civil Aviation Engineering and Technical Personnel that was effective before 1 January 1995: to men who worked for at least 20 years and to women who worked for at least 15 years.

5. To persons who had worked for at least half of the time established in Paragraphs 2, 3, and 4 of this Article to receive the compensation for special working conditions, shall be paid a part of the compensation in proportion to the time worked. If at least 10 years of work is required to receive the compensation under the conditions specified in this Article, at least half of that time must be have worked during the period 1988–1994; if not more than 15 years of work is required, at least half of that time must be have worked during the period 1986–1994; if 20 years of work is required, at least half of that time must be have worked during the period 1983–1994; if 25 years of work is required, at least half of that time must be have worked during the period

1980–1994; if 30 years of work is required, at least half of that time must be have worked during the period 1978–1994.

6. If the person has the right to several compensations due to the reasons specified in this Article, only the biggest one shall be paid.

7. The amount of the monthly compensation shall be 136.4 per cent of the basic pension. To persons specified in Paragraph 3 and Subparagraph 4 of Paragraph 4 of this Article, the compensation may be paid of a selected fixed amount, but not less than 45.45 per cent and not more than 136.4 per cent of the basic pension per month.

8. The payment of the compensation to persons, except for those specified in Paragraph 3 and Subparagraph 4 and Paragraph 4 of this Article, who have the right to receive the whole compensation or its part, until they reach the old-age retirement age, shall start as many months in advance as the number of months for which the compensation is payable. When the term for the payment of the compensation or its part to the person is approaching expiration but the person has not yet reached the old-age retirement age, the compensation shall be paid to the person until he reaches the old-age retirement age, irrespective that in these cases the number of monthly compensations payable to the person is exceeded. The payment of the compensation to persons specified in Paragraph 3 and Subparagraph 4 and Paragraph 4 of this Article, who have the right to receive the whole compensation or its part, may be started before they terminate their work in the positions granting the right to receive the compensation. The payment of the compensation shall be stated from a selected date in accordance with an application submitted to the administration of the State Social Insurance Fund Board. In this case, the total number of payable monthly compensations shall not exceed the number of monthly compensations payable to that person.

9. A person can apply for being awarded and paid a compensation three months before the day when a person becomes entitled to a compensation, as established in Paragraph 8 of this Article, or at any time after the day when a person becomes entitled to a compensation. If persons who have the right to receive a compensation apply for the award of a compensation after the terms of the beginning of the payment of the compensation, as established in Paragraph 8 of this Article, the compensation shall be paid to them from the day when they become entitled to the compensation but not more than six months before the day of the receipt of the document for the award and payment of a compensation in the administration of the State Social Insurance Fund Board.

10. The procedure for the calculation and payment of compensations shall be established by the Government.

## **THE EUROPEAN UNION LEGAL ACTS IMPLEMENTED BY THE LAW**

1. Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (OJ 2009, L 155, p. 17).

2. 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 (OJ 2011 L 343, p.7).

## **PERIODS RECOGNISED AS EQUIVALENT TO THE INSURANCE RECORD**

1. The following periods preceding the entry into force of the Law on State Social Insurance, i.e. 1 June 1991, shall be recognised as equivalent to the insurance record of a person:

1.1. The entire period of work of workers and servants as well as the time of work of collective farm members in a collective farm and the working time of other persons specified in the Regulations for the Award and Payment of Social Insurance Contributions who had to be covered by state social insurance in accordance with the then effective laws of the USSR;

1.2. The time of the creative activities of members of writers' unions, artists' unions, composers' unions, and cinematographers' unions as well as other creative workers, who were not members of these creative unions but who were united by the professional committees of these creative unions, irrespective of payment of social insurance contributions;

1.3. The time of service in paramilitary security services, special communication institutions, and special rescue units, irrespective of their departmental subordination and special or military rank.

2. The following periods preceding 1 January 1995 shall be recognised as equivalent to the insurance record of a person:

2.1. The state social insurance periods of persons covered by state social insurance in accordance with the Law on State Social Insurance;

2.2. The time of payment of insurance contributions by persons voluntarily covered by state voluntary pension insurance in state social insurance institutions;

2.3. The time of receipt of social insurance sickness (temporary incapacity to work), maternity (pregnancy and birth), and child care allowances of the insured (working) persons specified in Subparagraph 2.1 of this Annex;

2.4. The time of studying in post-graduate studies, doctoral studies, clinical residency, and internship;

2.5. The actual time of military, border guard, and internal affairs service (except for service in units and battalions of destroyers and people's defenders), mandatory military service in the Soviet Army as well as the periods of secret cooperation of secret participants in operative activities with whom written secret cooperation agreements were made, during which remuneration was paid under these agreements (except for cooperation with institutions which, by a resolution of the Government of the Republic of Lithuania, are acknowledged as the repressive structures and services of the occupations of 1939–1990), provided that after 11 March 1990 these persons continued cooperation with the entities of operative activities (criminal intelligence) of the Republic of Lithuania (on the grounds of evidencing documents of those entities (the successors of their rights and obligations) or data provided by such). The actual time of military, border guard, and internal affairs service shall not include the time during which these persons were cadets or trainees of higher and/or special internal affairs, security, military, and other schools. The time of service in the armed forces, border guard, and internal affairs services of the USSR shall be recognised as equivalent to the insurance record before 11 March 1990;

2.6. The periods of service of those state security officers of the USSR who transferred to serve for the Republic of Lithuania. The actual time of service shall not include the time during which these persons were cadets or trainees of higher and/or special security, military, internal affairs, and other schools.

2.7. The actual time of the imprisonment and deportation of political prisoners and deportees (those who were born in the place of deportation and minor children who were together with them) if this time is not included in accordance with Paragraph 1 of this Annex;

2.8. The working time of persons moved for forced work out from the territory of the former USSR during the years of the Second World War as well as the time of stay in ghettos, concentration or other forced-labour camps during the years of the Second World War;

2.9. The actual time spent by members of armed resistance – volunteer soldiers in structures of freedom fighters, unless this time is included otherwise;

2.10. The time of receipt of state social insurance disability pensions;

2.11. To mothers – the time of raising and nursing at home of disabled children under 16 years of age;

2.12. To family members – the time of the care at home of a disabled person of the first group;

2.13. The time of mandatory military service in the Lithuanian Army, internal service units of the Ministry of the Interior of the Republic of Lithuania, or the State Border Guard Service of the Republic of Lithuania;

2.14. The time of service of the clergy of all traditional churches and religious organisations in Lithuania.

3. The periods preceding the entry into force of this Law during which the person, in accordance with the then effective laws, was insured for the main pension part, provided that at that time the person paid the pension social insurance contribution established for that person.

4. The periods specified in this Annex shall be included in the insurance record in accordance with the procedure established in the Regulations for the Awarding and Payment of State Social Insurance Pensions and only in case that the person does not receive for them any pension of a foreign state.

5. For the persons specified in Paragraph 2 of Article 3 and Paragraph 1 of Article 42 of this Law, only the periods specified in this Annex, during which the person worked in Lithuanian undertakings, shall be included in the insurance record.

Annex 3  
to the Law of the Republic of  
Lithuania on Social Insurance  
Pensions

#### **RATES OF WORK INCAPACITY PENSION LEVEL MULTIPLIERS**

<b>Work incapacity, per cent</b>	<b>Multiplier</b>
45	0.500
50	0.625
55	0.750
60	0.875
65	1.000

<b>Work incapacity, per cent</b>	<b>Multiplier</b>
70	1.071
75	1.143
80	1.214
85	1.286
90	1.357
95	1.429
100	1.500

Annex 4  
to the Law of the Republic of  
Lithuania on Social Insurance  
Pensions

#### **RATES OF ANNUAL ACCUMULATION PARTICIPANT MULTIPLIERS**

<b>Year</b>	<b>Insured income</b>	<b>Accumulation participant multipliers</b>
1994	LTL 334.6	
1995	LTL 427	
1996	LTL 538	
1997	LTL 694	
1998	LTL 845	
1999	LTL 886	
2000	LTL 886	
2001	LTL 886	
2002	LTL 886	
2003	LTL 894	
2004	LTL 931	0.7619
2005	LTL 1037	0.6698
2006	LTL 148	0.5714
2007	LTL 344	0.4444
2008	LTL 445	0.4086
2009	LTL 488	0.7312
2010	LTL 488	0.7849
2011	LTL 488	0.7849
2012	LTL 488	0.8387
2013	LTL 488	0.7312
2014	LTL 488	0.7849
2015	EUR 431	0.7849
2016	EUR 445	0.7849

Annex 5  
to the Law of the Republic of  
Lithuania on Social Insurance  
Pensions

**OBLIGATORY INSURANCE RECORD FOR AN OLD-AGE PENSION**

<b>Year</b>	<b>Obligatory insurance record of men</b>	<b>Obligatory insurance record of women</b>
1994	25	20
1995	26	21
1996	27	22
1997	28	23
1998	29	24
1999	30	25
2000	30	26
2001	30	27
2002	30	28
2003	30	29
2004	30	
2005	30	
2006	30	
2007	30	
2008	30	
2009	30	
2010	30	
2011	30	
2012	30	
2013	30	
2014	30	
2015	30	
2016	30	
2017	30	
2018	30.5	
2019	31	
2020	31.5	
2021	32	
2022	32.5	
2023	33	
2024	33.5	
2025	34	
2026	34.5	
2027	35	

Annex 6  
to the Law of the Republic of  
Lithuania on Social Insurance  
Pensions

**MINIMUM AND OBLIGATORY INSURANCE RECORD FOR A WORK INCAPACITY  
PENSION**

<b>Age</b>	<b>Minimum insurance record</b>	<b>Obligatory insurance record</b>
21	2 months	1 year
22	4 months	1 year
23	6 months	1 year
24	8 months	1 year and 4 months
25	10 months	1 year and 8 months
26	1 year	2 years
27	1 year and 2 months	2 years and 4 months
28	1 year and 4 months	2 years and 8 months
29	1 year and 6 months	3 years
30	1 year and 8 months	3 years and 6 months
31	1 year and 10 months	4 years
32	2 year	4 years and 6 months
33	2 year and 2 months	5 years
34	2 year and 4 months	5 years and 8 months
35	2 year and 6 months	6 years and 4 months
36	3 year	7 years
37	3 year and 6 months	7 years and 8 months
38	4 year	8 years and 4 months
39	4 year and 6 months	9 years
40	5 year	10 years
41	5 year and 6 months	11 years
42	6 year	12 years
43	6 year and 6 months	13 years
44	7 year	14 years
45	7 year and 6 months	15 years
46	8 year	16 years
47	8 year and 6 months	17 years
48	9 year	18 years
49	9 year and 6 months	19 years
50	10 years	20 years
51	10 years and 6 months	21 years
52	11 years	22 years
53	11 years and 6 months	23 years
54	12 years	24 years
55	12 years and 6 months	25 years
56	13 years	26 years

<b>Age</b>	<b>Minimum insurance record</b>	<b>Obligatory insurance record</b>
57	13 years and 6 months	27 years
58	14 years	28 years
59	14 years and 6 months	29 years
60	15 years	30 years
61	15 years	31 years
62	15 years	32 years
63	15 years	33 years
64	15 years	34 years
65	15 years	35 years”

### **Article 2. Entry into force of the Law**

This Law, with the exception of Paragraph 2 of Article 8 of the Law of the Republic of Lithuania on Social Insurance Pensions and Article 3 of this Law shall enter into force on 1 January 2018.

### **Article 3. Implementation of the Law**

1. The period and procedure of the implementation of the financing of the main part of a state social insurance pension from the funds of the budget of the State Social Insurance Fund and the state budget from 1 January 2017 and of the general part of a social insurance pension from 1 January 2018, shall be established by the Law of the Republic of Lithuania on State Social Insurance and the Law of the Republic of Lithuania on the Structure of the Budget of the State Social Insurance Fund.

2. By 31 December 2017, the Government of the Republic of Lithuania shall adopt legislative acts implementing this Law.

3. By 1 September 2017, the Government of the Republic of Lithuania shall draw up a draft of the Law of the Republic of Lithuania on the Structure of the Budget of the State Social Insurance Fund implementing the provisions of this Law and shall submit it to the Seimas of the Republic of Lithuania.

4. By 1 October 2016, the State Social Insurance Fund Board shall approve the Methodology for the Calculation of Current Insured Income, while applying the provisions of Paragraph 2 of Article 8 of the Law of the Republic of Lithuania on Social Insurance Pensions set out in Article 1 of this Law.

### **Article 4. Application of the Law**

1. The name of the Law of the Republic of Lithuania on State Social Insurance Pensions used in other legislative acts shall be equivalent to the name of the Law of the Republic of Lithuania on Social Insurance Pensions.

2. The terms “state social pension insurance”, “state social pension insurance contributions”, “record of state pension social insurance”, “state social insurance pension”, and “state social insurance basic pension” shall be equivalent to the terms “pension social insurance”, “pension social insurance contributions”, “pension social insurance record”, “social insurance pension”, and “social insurance basic pension”.

**Article 5. Proposal to the Government of the Republic of Lithuania**

If the relative indicator of the average old-age pension and the country’s average wage in the last complete year decreased, the Government of the Republic of Lithuania, together with the Draft Law of the Republic of Lithuania on the Approval of Financial Indicators of the State and Municipal Budgets and the Draft Law of the Republic of Lithuania on the Approval of Indicators of the Budget of the State Social Insurance Fund, shall provide the Seimas of the Republic of Lithuania with proposals on the measures necessary for the increase of the income of the budget of the State Social Insurance Fund and long-term reduction of the demographical impact on the pension system.

*I hereby promulgate this Law passed by the Seimas of the Republic of Lithuania.*

President of the Republic

Dalia Grybauskaitė