



EUROMOD Country Report - Lithuania

2021-2024

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EUROMOD is the tax-benefit microsimulation model for the European Union (EU). It enables researchers and policy analysts to calculate, in a comparable manner, the effects of taxes and benefits on household incomes and work incentives for the population of each country and for the EU as a whole.

EUROMOD covers the 27 Member States and is yearly updated to cover the most recent changes in countries' policy systems. It uses input databases which are also updated on a yearly basis, coming mainly from the European Union Statistics on Income and Living Conditions (EU-SILC) and Household Budget Surveys (HBS). The model yearly update is supported by the following Directorate-Generals of the European Commission: DG EMPL, DG ECFIN, DG TAXUD, DG REFORM, DG JRC, DG ESTAT.

Originally maintained, developed and managed by the Institute for Social and Economic Research (ISER), since 2021 these responsibilities are taken over by the Joint Research Centre (JRC) of the European Commission, in collaboration with Eurostat and 27 national teams from the EU countries.

The EUROMOD governance structure consists of a Steering Committee, allowing partner DGs to monitor the process of the EUROMOD update, and a Scientific Advisory Board to monitor and guide the scientific development of the model.

This report documents the work done in the most recent annual update for Lithuania. This work was carried out by the EUROMOD core development team, based at the JRC in Seville, in collaboration with the national team.

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The results presented in this report are derived using EUROMOD version J1.0+ EUROMOD is continually being improved and the results presented here may not match those that would be obtained with earlier or later versions of EUROMOD.

EUROMOD documentation: <https://euromod-web.jrc.ec.europa.eu/resources/documentation>

Glossary of EUROMOD terms: <https://euromod-web.jrc.ec.europa.eu/resources/glossary>

Policy parameters used in EUROMOD: <https://euromod-web.jrc.ec.europa.eu/resources/parameters>

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1. BASIC INFORMATION

1.1. Basic information about the tax-benefit system

- The Lithuanian tax-benefit system predominantly governed at a **national system**. Notable exceptions include the land tax, business certificates used by the self-employed and the commercial immovable property tax, which are fully or largely set by the municipalities. Also, municipalities provide a few local benefits based on local rules.
- The **fiscal year** runs from the 1st of January to 31st of December. Main benefit and tax changes most often come into effect either at the beginning of the fiscal year or mid-year, i.e. 1st of July.
- The **statutory retirement age** in Lithuania has been gradually increased to reach 65 years for both men and women by 2026 as indicated in the Table 1.1 below.

Table 1.1 Pension age for women and men, 2020-2026

Year	Women	Men
2020	63 years	64 years
2021	63 years 4 months	64 years 2 months
2022	63 years 8 months	64 years 4 months
2023	64 years	64 years 6 months
2024	64 years 4 months	64 years 8 months
2025	64 years 8 months	64 years 10 months
2026	65 years	65 years

- The **minimum school leaving age** is 16 years old. Compulsory education is from the age 7 to 16. The age of majority is 18¹.
- A **dependent child** is defined as an own or adopted child under 18 years of age unless they have a partner (is married or officially cohabiting) or is a parent themselves. For *benefit purposes* a dependent child can be under the age of 23 (under 24 in case of social assistance) if in full-time general or vocational education (or tertiary education in case of social assistance)². For *tax purposes*, dependent children are defined as children under the age of 18 or older, if with disability or in education.
- **Single parent** is defined as a parent of a dependent child who is not legally married nor officially cohabiting.
- The **income tax system is an individual system**, with income of the spouses being assessed independently, although a few types of expenses can be deducted from the partner's or parent's tax dues.
- **Taxpayers can fill out an annual tax declaration** in order to return the unused annual tax allowance (also referred to as basic allowance) and/or to make certain deductions from the income tax dues. This is not obligatory unless a taxpayer is self-employed.
- Entitlement to the **means-tested social assistance** benefits typically depends on the assessment of the last three months' average monthly income per person and an assets test. The assessment unit is typically a single adult or a couple plus any dependent children.
- Statutory indexation rules apply to pensions and social benefits in Lithuania on an annual basis.

¹ Majority is an age threshold, recognized by the law, as a moment when a child assumes control over his/her actions, thereby terminating the legal control and legal responsibilities of parents or guardians.

² The precise dependent child definition is usually a benefit specific and could cover different conditions.

- Consumption taxes consist of (1) VAT with four effective rates (standard 21%, 9%, 5% and 0%), (2) excises on tobacco, alcohol, and energy, and (3) import duties.
- Since 1 January 2015, the national currency is euro.

The policy parameters saved as constants in the model and their values for the most recent year are available at <https://euromod-web.jrc.ec.europa.eu/resources/parameters>.

1.2. Commonly used parameters and definitions

Social benefits, pensions and compensations are often calculated in relation to reference amounts, as indicated below (see Table 1.2 for the recent levels).

Basic Social Allowance (*bazinė socialinė išmoka*), hereinafter referred to as “**BSA**”, is the Government approved social indicator mainly used for defining and calculating of different social protection benefits and other statutory values.

State Supported Income (*valstybės remiamos pajamos*) level (hereinafter referred to as “**SSI**”) is the Government approved personal income level after taxes and contributions, but before transfers of cash social assistance.

Cost of Basic Needs (*minimalių vartojimo poreikių dydis*), hereinafter referred to as “**CBN**”, is the Government approved social indicator for estimating basic needs, which include both food and non-food (other goods and services) components. Since 1st June 2022, BSA and SSI have been increased as part of anti-inflation measure package³.

Table 1.2 Monthly BSA, SSI and CBN levels effective on 30th June 2021-2024, EUR

	2021	2022 1 st January	2022 1 st June	2023	2024
Basic Social Allowance (BSA)	40	42	46	49	55
State Supported Income (SSI)	128	129	147	157	176
Cost of Basic Needs (CBN)	260		267	354	446

Source: Based on the relevant version of Government of Lithuanian Republic Resolution “Dėl bazinės socialinės išmokos dydžio patvirtinimo” “Dėl valstybės remiamų pajamų dydžio patvirtinimo” and “Dėl minimalių vartojimo poreikių dydžio patvirtinimo”.

A number of other commonly used definitions for benefit calculations, such as income lists, are presented here:

Insured Income (*draudžiamosios pajamos*), hereinafter referred to as “**II**”, defines the *list* of the person’s *insured income* on the basis of which a number of contributory benefits, such as maternity leave and paternity leave benefits, sickness benefit or unemployment benefit, are paid. *Insured income* includes all income of a person on which state social insurance contributions were (or had to be) paid: earnings; income from sports, incomes paid under authorship agreements, income of self-employed persons and with some extent incomes received by some groups of people that were previously not covered by social insurance (solicitors, bailiffs, individual business owners, farmers and partners, etc.); sickness benefit (including the first two days of sickness for which the employer pays), vocational rehabilitation, maternity leave, paternity leave, childcare benefits set by the *Law on Sickness and Maternity Social Insurance*; sickness benefits due to occupational accidents or occupational disease allowances payable in accordance with the

³ Based on the following law “Dėl Lietuvos Respublikos Vyriausybės 2014 m. lapkričio 5 d. nutarimo Nr. 1206 „Dėl socialinės paramos išmokų atskaitos rodiklių dydžių patvirtinimo“ pakeitimo” 2022-05-23 Nr. 10912.

Law on Social Insurance of Occupational Accidents and Occupational Diseases. There were no major changes made to the insured income list during the period of 2021-2024.

The **average monthly insured income (AMII)** is the sum of the insured incomes (II) averaged over the last several months before the right to the relevant benefit has been granted. For example, the right to maternity leave, paternity leave and childcare benefits relies on AMII which is based on the averaged income calculated over the last 12 months period (excluding the month the benefit is claimed).⁴ Other benefits, such as vocational rehabilitation allowance and occupational disease allowance are based on insured income averaged over 3 months' period. No major changes were made between 2011 and 2024.

Pension indexation coefficient (*indeksavimo koeficientas*) and reference points (*apskaitos vienetas*). As of 2018 the formula for estimating social insurance pension amounts was modified. All pension entitlements were recalculated using a basic pension part and *reference points (RP)*, which are to be automatically indexed each year using an *indexation coefficient (IC)*. The RP refers to 12 average monthly salaries earned during one year and is capped at 5 RP (60 average monthly wages) per year. The IC is calculated based on the average change of the total wage fund during the three previous, current and three forthcoming years. Since January 1st 2022, individual indexation coefficient (*ICC*) has been introduced to additionally index individual pension part⁵. Since 1st June 2022, RP and IIC have been increased as part of anti-inflation measure package⁶.

Table 1.3 RP and IC amounts, 30th June 2021-2024, EUR

	2021	2022 1 st January	2022 1 st June	2023	2024
Reference Points (RP)	4.17	4.70	4.94	5.70	6.38
Indexation Coefficient (IC)	1.0958	1.0847		1.0902	1.0957
Individual Indexation Coefficient (IIC)		1.0424	1.05*	1.0580	1.02

Notes: * additional pension IIC since mid-year. Source: SoDRA, URL: <http://www.sodra.lt/lt/situacijos/statistika/pagrindiniai-socialiniai-rodikliai>

Basic monthly pension (BMP) (*valstybinio socialinio draudimo bazinė pensija*) is the state approved amount, mainly used for the calculation of social insurance benefits, such as old-age pension or vocational rehabilitation allowance. Due to anti-inflation measures package, the BMP has been increased twice in 2022.

Assistance pension base (APB) (*šalpos pensijos bazė*) is the state approved amount, introduced on January 1st 2017. The pension base is a standard amount, used for the calculation of social assistance benefits such as: social assistance disability pensions, social assistance old-age pensions, social assistance orphans' pensions⁷. Due to anti-inflation measures package, the APB has been increased twice in 2022⁸.

⁴ Based on the following law “Lietuvos Respublikos Ligos ir motinystės socialinio draudimo įstatymo 3, 4, 5, 6, 8, 9, 16, 18, 19 straipsnių pakeitimo ir papildymo įstatymas”. 2008.12.18 Nr. XI-71. http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc_l?p_id=334539

⁵ Based on the following law “Lietuvos Respublikos Valstybinio socialinio draudimo fondo biudžeto 2022 metų rodiklių patvirtinimo įstatymas”. 2021-12-14 Nr. XIV-749.

⁶ Based on the following law “Lietuvos Respublikos Valstybinio socialinio draudimo fondo biudžeto 2022 metų rodiklių patvirtinimo įstatymas”. 2021-12-14 Nr. XIV-749.

⁷ Based on the following law “Lietuvos Respublikos valstybinių šalpos išmokų įstatymo Nr. I-675 pakeitimo įstatymas“. 2016-06-29, Nr. XII-2506. <https://www.e-tar.lt/portal/lt/legalAct/f5ee93504a6e11e6b5d09300a16a686c>

⁸ Based on the following law “CloseDėl Lietuvos Respublikos Vyriausybės 2014 m. lapkričio 5 d. nutarimo Nr. 1206 „Dėl socialinės paramos išmokų atskaitos rodiklių dydžių patvirtinimo“ pakeitimo“. 2022-05-23 Nr. 10912

Table 1.4 Basic monthly pension, social assistance pension base 30th June 2021-2024, EUR

	2021	2022 1 st January	2022 1 st June	2023	2024
Basic monthly pension (BMP)	198.29	215.09	225.84	246.21	269.77
Assistance pension base (APB)	143	150	173	184	197

Source: Based on the Law “Dėl valstybinės socialinio draudimo bazinės pensijos dydžio, valstybinės socialinio draudimo našlių pensijos bazinio dydžio, maksimalios neperskaičiuotos pensijos dydžio ir valstybinių pensijų bazės dydžio patvirtinimo” and its relevant amendments and changes. The actual amounts are also published in Sodra’s page: <https://www.sodra.lt/lt/situacijos/statistika/pagrindiniai-socialiniai-rodikliai>

Most of the state pensions in Lithuania are calculated in relation to the **state pension base (valstybinių pensijų bazė)**, the amounts of which during the period of 2021-2024 are indicated below:

 Table 1.5 State pension base minimum and average monthly salary, 30th June 2021-2024, EUR

	2021	2022 1 st January	2022 1 st June	2023	2024
State pension base (SPB)	58.70	59.35	65.29	68.29	72.35
Minimum monthly salary (MMS)	642	730		840	924
Average monthly salary (AMS)	1352.7	1504.1		1684.9	1902.7
Average monthly salary of the previous quarter (AMSp)	1512.3	1666.9		1887.8	2097.3

Source: Based on the Government of Lithuania Republic Resolution “Dėl valstybinių pensijų bazės dydžio patvirtinimo” and “Dėl minimaliojo darbo užmokesčio dydžio didinimo” and their relevant changes. AMS is indicated as used for estimating the base for personal income tax payments and estimating the base for social insurance payments, i.e. as set in the following Laws: “Lietuvos Respublikos valstybinio socialinio draudimo fondo biudžeto rodiklių patvirtinimo įstatymas” and “Lietuvos Respublikos valstybės socialinių fondų biudžetų rodiklių patvirtinimo įstatymas”. AMSp used for calculations of minimum and maximum amounts of maternity/paternity benefits and unemployment benefits since 2017. AMSp amounts are published in Sodra’s page (<https://www.sodra.lt/lt/situacijos/pagrindiniai-socialiniai-rodikliai>) and reflect the average gross earnings in the whole economy of the previous quarter (QIV used in the model) published regularly here: https://osp.stat.gov.lt/en/statistiniu-rodikliu-analize?hash=6dca3982-d760-4b7f-bf48-ada2e5c0526f#.

Minimum monthly salary (minimali mėnesinė alga), hereinafter referred to as “MMS” which amounts are listed in Table 1.5. This reference amount is also used for defining (credited) social contributions (see more details in section 2.7.3) and setting non-taxable amount (section 2.8.1).

1.3. Social Benefits

1.3.1 Non-contributory benefits

All non-contributory benefits are non-taxable.

Birth grant (vienkartinė išmoka gimus vaikui): a lump-sum cash benefit paid upon the birth (an adoption) of a child. Since 2011 the birth amounts to 11 BSA per child, which equals to 605 EUR in 2024.⁹ No changes in the calculation of the benefit were made until 2024.

⁹ Based on the following law “Lietuvos Respublikos Išmokų vaikams įstatymo 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13, 14, 18, 20, 22 straipsnių ir antrojo, trečiojo skirsnių pavadinimų pakeitimo įstatymas”. 2008.07.01. Nr. X-1664: http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc_l?p_id=324329

Universal child benefit (*išmoka vaikui*): In 2021, each child up to 18 years old receives a universal child benefit which is equal to 1.75BSA. Since January 1st, 2022, universal child benefit is also paid for families with children below the age of 23 if in full-time general education, including for those who are in vocational education, also while on leave due sickness, pregnancy, or childbirth¹⁰. In 2024 the child benefit amount is 96.25 EUR. For children in families of social risk who have compulsory early childhood education and care, pre-school, primary, basic education programs, but do not attend educational institutions, child benefit are provided in non-monetary form.

Additional child benefit (*papildoma išmoka vaikui*): a monthly cash benefit paid to a family raising one or more dependent children. The benefit level is calculated in relation to BSA and varies based on household income, the number of children in the family and if children are with a certain disability level. The additional child benefit is paid for children under one of described conditions: for families with children when household income is below a set income threshold; for families with three and more children; for families raising a child with a disability. Only one additional benefit can be paid for the same child. Since January 1st, 2022, additional child benefit is also paid for families with children below the age of 23 if in full-time general education, including for those who are in vocational education while on leave due sickness, pregnancy, or childbirth¹¹. For children in families of social risk who have compulsory early childhood education and care, pre-school, primary, basic education programs, but do not attend educational institutions, child benefit are provided in non-monetary form.

Childcare benefit for students (*išmoka besimokančio ar studijuojančio asmens vaiko priežiūrai*): a monthly childcare benefit paid for one of the parents (lone parent, guardian, foster) during study period or 12 months after finishing school of graduation¹². The benefit is paid to one of the parent who studies (studied) in full time formal vocational training or higher education programme, and doctoral/medical residency studies¹³ and according to *the Law on Sickness and Maternity Social Insurance* and is not entitled to a standard childcare benefit (a person before the first day of childcare leave had less than 12 months over the last 24 months of maternity (paternity) social insurance record). The fixed benefit of 6 BSA is paid until the child reaches the age of 2 years. If two or more children are born (adopted) the amount of the student's childcare benefit does not increase. Since January 1st, 2022, student's childcare benefit is also paid for students who are in full-time general education¹⁴. To avoid double granting of the benefit for a later born / adopted / foster child, the benefit is paid for the care of the youngest child until they reach the age of 2.

¹⁰ Based on the following law “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 6, 9, 11, 12, 13, 14, 15, 17, 18, 19, 21 straipsnių ir priedo pakeitimo įstatymas”. 2021-12-07, Nr. XIV-720. <https://www.e-tar.lt/portal/legalAct.html?documentId=964f55405d9311eca9ac839120d251c4>

¹¹ Based on the following law “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 6, 9, 11, 12, 13, 14, 15, 17, 18, 19, 21 straipsnių ir priedo pakeitimo įstatymas”. 2021-12-07, Nr. XIV-720. <https://www.e-tar.lt/portal/legalAct.html?documentId=964f55405d9311eca9ac839120d251c4>

¹² Based on the following law “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 1, 3, 10, 12, 13 straipsnių, ketvirtojo skirsnio pavadinimo pakeitimo ir įstatymo papildymo 10-1 ir 10-2 straipsniais įstatymo Nr. XII-2500 5 straipsnio pakeitimo įstatymas“. 2016-06-28. Nr. XII-2500: <https://www.e-tar.lt/portal/legalAct.html?documentId=250ebe404a6e11e6b5d09300a16a686c>

¹³ Based on the following law “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 9 straipsnio pakeitimo įstatymas”. Nr. XIV-83: <https://www.e-tar.lt/portal/legalAct.html?documentId=95e6c310450a11eb8d9fe110e148c770>

¹⁴ Based on the following law: “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 6, 9, 11, 12, 13, 14, 15, 17, 18, 19, 21 straipsnių ir priedo pakeitimo įstatymas”. 2021-12-07, Nr. XIV-720. <https://www.e-tar.lt/portal/legalAct.html?documentId=964f55405d9311eca9ac839120d251c4>

Benefit for multiple-births (*išmoka gimus vienu metu daugiau kaip vienam vaikui*): a monthly benefit paid for one of the parents (lone parent) due to the birth of two or more children¹⁵. The benefit level is calculated in relation to BSA and varies based on the number of children born at the same time: the benefit of 4 BSA is paid when two children are born and it is increased by 4 BSA per child if more than two children are born at the same time. The benefit is paid from the birth of the children until the children reach the age of 2 years.

Benefit to a conscript's child (*išmoka privalomosios tarnybos kario vaikui*): a monthly benefit paid for each child in the amount of 1.5 BSA during the military service of the father. According to *Law on the Benefits to Children*, the benefit is paid to the mother of the child of a conscript, unless she is not a permanent resident of the Republic of Lithuania. In that case, the benefit is paid to the child's father. The recipient of this benefit is also entitled to a child benefit as described above.

Guardianship benefit and targeted guardianship subsidy (*globos (rūpybos) išmoka ir globos (rūpybos) išmokos tikslinis priedas*): a targeted guardianship subsidy is paid monthly to a child's guardian (curatorship) per child whom guardianship is established for a family or a family-type institution.¹⁶ Since January 1st, 2022, the guardian benefit amount is differentiated according to the age and needs of the child under guardianship: 5.2 BSA for children under 6 years of age, 6 BSA for children 6-12 years of age and 6.5 BSA for children 12-18 years of age, children with disabilities. The payment of the targeted guardianship subsidy to the former guardian (caregiver) is extended when after the custody (care) of the children due to age, emancipation, marriage or education, the former guardian remains with the former caregiver and is dependent on them, but no longer until they reach the age of 24.

Temporary childcare allowance (*vaiko laikinosios priežiūros išmoka*): since January 2020, a newly introduced benefit of 6 BSA per month for temporary childcare¹⁷. Benefit is paid to a person temporarily taking care of a child as stipulated in *the Law on Fundamentals of Protection of the Rights of the Child*. The temporary childcare allowance is not granted if the request is made by child's parents or other legal representatives. The benefit is paid throughout the period of temporary care.

Grant for settlement (*vienkartinė išmoka įsikurti*): a lump sum of 75 BSA is given to a child upon the termination of a guardianship due to reaching the legal age of 18, emancipation, or marriage. The grant can be used for various purchases or expenses, including the purchase or rental of a home, to cover housing costs, the purchase of furniture, video or audio equipment, a computer, vehicles, to cover medical expenses, etc. The grant cannot be paid in cash unless the unused part of the grant is less than 2 BSA.

Pregnancy grant (*vienkartinė išmoka nėščiai moteriai*): a lump-sum benefit to a pregnant woman who is not eligible to receive a maternity leave benefit from the social insurance fund. The grant amounts to 6.43 BSA and is paid 70 days before the term of childbirth.

¹⁵ Based on the following law „Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 1, 3, 10, 12, 13 straipsnių, ketvirtojo skirsnio pavadinimo pakeitimo ir Įstatymo papildymo 10-1 ir 10-2 straipsniais įstatymas“. 2016-06-28. Nr. XII-2500: <https://www.e-tar.lt/portal/legalAct.html?documentId=250ebe404a6e11e6b5d09300a16a686c>

¹⁶ Based on the following law „Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 8 straipsnio pakeitimo įstatymas“. 2015-12-15. Nr. XII-2191: <https://www.e-tar.lt/portal/legalAct.html?documentId=8e886460a8ad11e5be7fbc3f919a1e6e>

¹⁷ Based on the following law „Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 3, 16, 17, 19, 21 straipsnių, trečiojo skyriaus pavadinimo pakeitimo ir Įstatymo papildymo 12-1 straipsniu įstatymas“. 2019-05-07, Nr. 7400.

Social assistance benefit (*socialinė pašalpa*): is the last resort monthly benefit paid to families or single persons if they meet the established eligibility, assets, and income tests (1.1 SSI per person). The amount of the social assistance benefit depends on household composition (equivalence scales are applied) and the benefit payment is reduced with time. The in-work social assistance benefit can be granted for people taking up a job with at least the MMS, who comply with other required conditions. The in-work social assistance benefit can be paid up to 12 months and is reduced with time

Compensations for the heating of a dwelling, cold and hot water expenses (*kompensacijos už būsto komunalines paslaugas*) The heating compensation is granted when the heating costs exceed 10% of the difference between income and 2 SSI per each family member or 3 SSI for single person (instead of 1.5 SSI), based on the notional defined sizes of useful spaces¹⁸. The drinking water compensation is granted when the costs for cold water and wastewater exceed 2 % of income, while the hot water compensation – when exceed 5% of income, taking into account the notional standards (expressed in m³). Compensations are granted to families and single persons if the value of family's or person's assets does not exceed the established ratio of property value and if all family members (single persons) meet the same eligibility criteria as described for the receipt of the social assistance benefit.

State social assistance benefits/pensions (*valstybinės šalpos išmokos*): there are four types of social assistance benefits/pensions: social assistance pensions; orphan's social assistance pensions; social assistance compensations pension supplements. Social assistance benefits/pensions are varied and calculated in relation to the *basic monthly pension (BMP)* (see Table 1.4).

Funeral allowance (*laidojimo pašalpa*): a non-contributory lump-sum benefit equal to 8 BSA paid to the person burying the deceased.

Repatriation benefit (*parama palaikams parvežti*): is a means-tested benefit for the repatriation of remains to Lithuania. The benefit is equal to the actual costs of transporting, but not exceeding 54 BSA and is paid if mean monthly household's income does not exceed 3 SSI.

State pensions:

State pensions of degree one or two of the Republic of Lithuania (*Lietuvos Respublikos pirmojo ir antrojo laipsnių valstybinės pensijos*) are awarded to citizens for distinguished achievements or for individual or respective status (i.e., top-level state officials, champions of Olympic Games, etc.), if these persons have reached an statutory retirement age or have partially or fully lost their capacity to work. A state pension of the first degree is equal to 4 *state pension bases (SPB)*. A state pension of the second degree amounts to 2 *state pension bases* (see Table 1.5). The second degree pension can also be awarded to a (step) mother or (step)father who raised well 5 or more children and does not suffer from addictions.

State pensions for victims (*nukentėjusiųjų asmenų valstybinės pensijos*) are awarded to the persons recognised as incapable or partially capable of work due to a number of state recognized aggressions (i.e. 11-13 January 1991 events), political imprisonment, deportations, participation in the resistance to the occupation, for participants in elimination of the consequences of the accident at the Chernobyl Nuclear Power Plant, or persons who became disabled due to military service in the Soviet Army. These pensions are paid if persons have reached the statutory

¹⁸ Based on the following law: “Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 7 ir 11 straipsnių pakeitimo įstatymas”. No. XIV-721, 2021-12-07.

retirement age or have partially or fully lost their capacity to work. The pension amount is calculated in relation to the *state pension base* (see Table 1.5) and varies for different victim groups.

State pensions for officers and soldiers (*pareigūnų ir karių valstybinės pensijos*) are awarded to officers and soldiers or their family members. There are three types of these pensions: for the service; for lost capacity for work; for widows and orphans. The pension amount is calculated based on the service record and former wage. The exception is for compulsory or voluntary conscripts who lost their capacity for work, the amount is calculated in relation to the state pension base and varies depending on the level of the lost capacity for work.

State pensions for scientists (*mokslininkų valstybinės pensijos*) are awarded to scientists on the basis of the *temporary Law on State Pensions for Scientists*. These pensions are awarded to individuals with an academic degree or title and at least a 10-year career of a doctor or habilitated doctor who are either reached the statutory pension age or lost 60–100% of their capacity for work. The pension is not paid if a person continues pursuing scientific work. The amount of the pension is calculated in relation to the *state pension base* (see Table 1.5) and depends on the insurance record.

State pensions for judges (*teisėjų valstybinės pensijos*) are awarded to the retired persons, who worked as judges of the Constitutional Court, the Supreme Court of Lithuania, the Court of Appeal of Lithuania, the Supreme Administrative Court of Lithuania and other Lithuanian general jurisdiction and specialized courts as well as judges of any international court elected or delegated by Lithuania and if they have at least five years of judicial service. The pension amount depends on the service record and is calculated as a percentage of the average salary over the last five years of the judicial work. Persons entitled to receive state pension also have a right to receive state social insurance pension, unless otherwise provided by the law. The state pensions for judges are indexed and the coefficient for 2024 is by 5.95%.

President of the Republic of Lithuania spouse's state pension (*Lietuvos Respublikos sutuoktinio valstybinė pensija*) is awarded to the spouse who carried out functions as defined by the official and (or) diplomatic protocol for at least 3 years during the President's term. The pension amount is equal to 11.64% of the President's monthly salary¹⁹. The pension is paid if the spouse has reached the statutory retirement age or has lost at least 60% of capacity for work and does not receive another state pension..

President of the Republic of Lithuania orphan's state pension (*Lietuvos Respublikos sutuoktinio našlaičių valstybinė pensija*) is awarded to the President's orphan children, who either are: below the of 18; or above the age of 18 years old and is with disability; or below the age of 24 if in full-time education. The amount per child is equal to 30% of the President spouses' pension, but for all children cannot exceed 100% of the President spouse's pension.

1.3.2 Contributory benefits

Taxable contributory benefits:

Maternity leave benefit (*motinystės išmoka*): a lump sum benefit paid to a pregnant woman who has contributed to the *Sickness and Maternity Social Insurance*. The benefit is paid for a total of 126 calendar days, covering the period before and after the childbirth. Maternity benefit is equal to 77.58% of the recipient's compensatory income but cannot be lower than 8 BSA. To qualify for the maternity leave benefit it is required to have at least 12 months over the last 24 months of

¹⁹ Based on the following law “Lietuvos Respublikos valstybinių pensijų įstatymo Nr. I-730 15-1 straipsnio pakeitimo įstatymas”

sickness and maternity social insurance contribution record. Maternity benefit amount is not reduced if a person receives income from self-employment during maternity benefit payment period.

Paternity leave benefit (*tėvystės išmoka*): a lump sum benefit, which is granted on the basis of *the Law on Sickness and Maternity Social Insurance*. The father can claim the benefit from the birth of his child until the child reaches 1 year of age. The paternity leave duration is 30 days and can be split in two parts. The benefit is granted if a person before the first day of paternity leave had no less than 6 months over the last 24 months of sickness and maternity social insurance record. The amount of paternity benefit is equal to 77.58% of the recipient's compensatory income, but cannot be lower than 8 BSA and not higher than two national average monthly salaries (AMS). The paternity benefit amount is not reduced if a person receives income from self-employment during paternity benefit payment period.

Childcare benefit (*vaiko priežiūros išmoka*): a monthly payment granted on the basis of *the Law on Sickness and Maternity Social Insurance* if a person before the first day of childcare leave had no less than 12 months over the last 24 months of sickness and maternity social insurance record. Since 1st of January 2023, the childcare benefit is paid to one of the parents (adoptive parents), or guardians, or grandparents (if satisfies the same contributory requirements and one of the parents has the right to the benefit) until the child reaches either 1.5 year (18 months) or 2 years (24 months), where parents can choose between the two options. The compensation rate for one-and-a-half-year period benefit is 60%, and for two years period the compensation rate is 45% during the first year and 30% during the second year. Additionally, during the childcare leave months each of the parents (but not grandparents) has the right to use 2 non-transferable months (or four months for a single parent) with higher compensatory rate of 78%. The benefit is calculated in relation to AMII (see more details in section 2.11.) with the minimum of 8 BSA and the maximum of two country's average monthly wages. If one of the parents receiving childcare benefit qualifies for another childcare benefit for the other child, she or he is paid both benefits, but the total amount of the benefits cannot exceed 78% of the previous earnings on which these benefits are calculated.

Non-taxable contributory benefits:

Old-age pension (*senatvės pensija*): monthly pension paid for persons who attain the old-age retirement age as specified by *the Pensions' law* and have the minimum or obligatory insurance period specified for the old-age pension. Pensions consist of a basic pension part and an individual pension part. The latter is calculated using reference points (RP). Pensions are indexed on an annual basis.²⁰ Since January 1st, 2022, an additional indexation of the individual pension component has been introduced²¹. The supplementary index for the individual part of the pension is calculated based on 75% of the surplus of Sodra's pension contributions. The additional indexation applies if the at-risk-of-poverty rate for people aged 65+ is higher than 25% and / or the ratio between the average old-age pension and the average wage is less than 50%. Additionally, the procedure for calculating the basic part of the pension has been changed for persons who have minimum insurance period but do not have the obligatory length of insurance, i.e., they are paid the basic pension part in full.

Small pension bonus (*mažų pensijų priemoka*): Since January 1st, 2019, bonuses on low pensions were introduced for the recipients of low old-age or disability pensions, calculated as a difference between 95% CBN and a sum of pensions, also taking into account contribution record

²⁰ Based on the following law: 2016-07-15, No. XII-2512 „Lietuvos Respublikos valstybinių socialinio draudimo pensijų įstatymo Nr. I-549 pakeitimo įstatymas“. 2016. No. 20649.

²¹ Based on the following law “Lietuvos Respublikos socialinio draudimo pensijų įstatymo Nr. I-549 2, 8, 17, 29, 33, 45 ir 49 straipsnių pakeitimo įstatymas”. 2021-11-23, Nr. XIV-678.

relative to full required²². Since January 1st, 2020, the pension bonus is paid as difference between 100% CBN and a sum of pensions.

Single person benefit (*vienišo asmens išmoka*) –is granted to single adults with a working capacity level of up to 55% and persons who have reached the statutory retirement age and does not receive any widow's or orphan's benefit or these benefits are lower than the single person benefit.²³

Early retirement old-age pension (*išankstinė senatvės pensija*) can be claimed up to five years before the regular retirement age with 30 years of insurance contributory history. A reduction of 0.32% is applied for each month remaining until the retirement age²⁴. The amount of early retirement old-age pension is indexed on an annual basis. As of January 1st, 2021, the amount of old-age pensions shall not be reduced if the person has received the early retirement pension for less than 3 years and has attained the period of insurance of 40 years before receiving the early retirement pension²⁵.

Disability pension (*negalios pensija, before 2023.12.31 netekto darbingumo pensija*)²⁶: paid to a person for whom a certain level of lost work capacity (level of participation since 2024) is established. The pension varies according to the assessed degree of lost work capacity (participation), as well as a person's contribution history. The amount of the disability pension depends on a level of lost work capacity (participation), insurance period, the number of the reference points (RF) and the amounts of the RF and basic pension. The *minimum* and *obligatory* insurance periods are defined based on a person's age. Disability pensions are indexed in the same way as the old-age pensions.

Survivor's or orphan's pension (*našlių ir našlaičių pensija*): is paid monthly to the spouse and children of the deceased person if the deceased person had been entitled or received the state disability (work incapacity) pension or the old-age pension (see above). Survivor pension is a lump-sum monthly amount. Survivor's and orphan's pensions is indexed and recalculated in the same way as old-age pensions.

Compensations for special working conditions (*kompensacijos už ypatingas darbo sąlygas*) are paid to people who have worked in hazardous jobs until they reach statutory pension age. The monthly compensation is equal to 136.4 % of the basic monthly pension (see Table 1.4.)²⁷.

Unemployment social insurance benefit (*nedarbo draudimo išmoka*) is a monthly benefit paid to the unemployed people if they have at least 12 months of the unemployment social insurance record over the last 30 months (with the exception of those who were in the compulsory primary military service or the alternative national defence service) and are registered with the Public Unemployment Service. The benefit is comprised of the constant (% of MMS) and variable (% of the previous wage) components. The standard unemployment benefit can be paid for up to 9

²² Based on the following law: 2019-04-19, „Lietuvos Respublikos šalpos pensijų įstatymas“. 2019. No. 96-1873

²³ Based on the following law “Lietuvos Respublikos vienišo asmens išmokos įstatymo Nr. XIV-352 2, 3, 5 ir 8 straipsnių pakeitimo įstatymas“. 2021-11-23, Nr. XIV-679.

²⁴ Based on the following law: ‘Lietuvos Respublikos socialinio draudimo pensijų įstatymo Nr. I-549 22 straipsnio pakeitimo įstatymas’. No. XIII-3394, 2020-11-10. <https://www.e-tar.lt/portal/legalAct.html?documentId=6ac80c5029a511eb932eb1ed7f923910>

²⁵Based on the following law: ‘Lietuvos Respublikos socialinio draudimo pensijų įstatymo Nr. I-549 23 ir 54 straipsnių pakeitimo įstatymo Nr. XIII-3203 pakeitimo įstatymas’. No. XIII-3395, 2020-11-10.

²⁶ Until 1st July 1, 2005 defined as invalidity (*invalidumo*) pension.

²⁷ Based on the following law: 2017-12-12, No. XIII-881 “Lietuvos Respublikos valstybinių socialinio draudimo pensijų įstatymo Nr. I-549 pakeitimo įstatymo Nr. XII-2512 1 ir 3 straipsnių pakeitimo įstatymas“. 2017, No. 20433.

months with the decreasing replacement rate every three months. The maximum amount of the benefit cannot be higher than 58.18% of the national gross average wage.

Long-term work benefit (*ilgalaikio darbo išmoka*). Employees, who have been continuously employed by the same employer for at least 5 years, in case of redundancy are eligible to receive the long-term work benefits, except for those who have been working in budgetary institutions and the Central Bank. The benefit is lump-sum and is equal to 77.58% of one, two or three average earnings, depending on the length of the contract with the same employer.

Sickness benefit (*ligos išmoka*): granted on the basis of *the Law on Sickness and Maternity Social Insurance* and is paid to people who have been insured for at least 3 months over the last 12 months or 6 months over the 24 months (except for some groups). The benefit is calculated on the basis of insured income with maximum (2 times the national average monthly of the previous quarter salary (AMSp)) and minimum (11.64% of the national average income) thresholds applied. The benefit is partly paid by the employer (for first two days;) and partly by the State Social Insurance Fund (from the third day afterwards).²⁸ The sickness benefit, paid by the employer (for two days), cannot be lower than 62.06% and higher than 100% of recipient's average wage. Employers are obliged to pay the sickness benefit from the employer's funds for the first 2 days of sickness regardless of the employee's social insurance record. The amount of sickness benefit, paid by the State Social Insurance Fund is equal to 62.06% of compensatory income, for donors for transplantation purposes - 77.58%, for parents and grandparents taking care of sick child – 65.94%²⁹. The length of the benefit varies (8 cases of varied duration are defined by law; additionally, 11 specific cases for taking sickness leave to care of a child).

Vocational rehabilitation allowance (*profesinės reabilitacijos išmoka*): granted on the basis of *the Law on Sickness and Maternity Social Insurance*. The allowance is paid monthly for the entire period of the rehabilitation programme, but not for longer than 180 calendar days. The benefit amount is equal to 65.94% of compensatory income³⁰. The amount of the benefit cannot be higher than 2 average monthly salary of the previous quarter (AMSp) and lower than 2 BMP.

Occupational disease allowance (*ligos dėl nelaimingo atsitikimo darbe ar profesinės ligos išmoka*): monthly allowance paid to people who became temporary incapable to work and was covered by the social insurance at the moment of the accident. The benefit is paid until the person's return to work or until the assignment of other benefit, i.e. work incapacity pension. The benefit is equal to 77.58% of the average monthly insured income AMII³¹.

Disability grant (*netekto dalyvumo vienkartinė kompensacija*): a lump-sum amount paid in case of the up to 30% loss of work capacity (since 2024 – participation level): If up to 20% of work (participation) capacity is (temporarily) lost, the grant is equal to 7.76% of persons' 24 month compensatory earnings; if 21% to 29%, of work (participation) incapacity is (temporarily) lost,

²⁸ Based on the following law: 2018-12-20, No. XIII-1827 “Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 6 straipsnio pakeitimo įstatymas”. 2018, Nr. 21847.

²⁹ Based on the following law: 2018-06-28, No. XIII-1338 “Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 6, 14, 18, 21, 22, 24 ir 27 straipsnių pakeitimo įstatymas”. 2018, No. Nr. 11433.

³⁰ Based on the following law: 2018-06-28, No. XIII-1338 “Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 6, 14, 18, 21, 22, 24 ir 27 straipsnių pakeitimo įstatymas”. 2018, No. 11433.

³¹ Based on the following law: 2018-06-28, No. XIII-1339 “Lietuvos Respublikos nelaimingų atsitikimų darbe ir profesinių ligų socialinio draudimo įstatymo Nr. VIII-1509 3, 15, 19, 26 ir 27 straipsnių pakeitimo įstatymas”. 2018, No. 11434.

the grant is equal to 15.52% of earnings³². If the lost work (participation) incapacity is permanent, then the grant is 3 times higher than the relevant grant amount, indicated under different degrees of lost (temporary) work (participation) incapacity.

Periodical compensation for disability (*netekto dalyvumo periodinė kompensacija*) is a monthly compensation for insured persons who lost 30% or more of their work capacity because of an accident at work or professional disease. If insured person lost 30-45% of work capacity (since 2024 – participation level), monthly compensation is paid; if insured person lost 45% or more work capacity (participation level), compensation is paid if: the beneficiary is not entitled to the same amount or higher lost incapacity (participation level) social insurance pension; if the insured person receives disability social insurance pension, which is lower than periodic compensation for disability (compensation paid as difference)³³.

Periodical compensation in case of death of insured (*Periodinė draudimo išmoka apdraustajam mirus*): is paid monthly to the family members and the amount is equal to work incapacity periodical compensation divided by the number of persons qualifying for the compensation. The benefit is paid irrespective of other income (except for the survivor's or orphan's pensions). This compensation is paid as an entitlement due to the occupational accidents or occupational disease insurance social insurance.

Grant in case of death of insured (*Vienkartinė draudimo išmoka apdraustajam mirus*): a lump-sum amount paid to the family members of the deceased. The grant is equally divided between all family members. This grant is paid as an entitlement due to the occupational accidents or occupational disease insurance social insurance. The grant is equal to 46.55 times the national average monthly wage³⁴.

1.3.3 Not strictly benefits

Promotional education stipends (*skatinamosios stipendijos*): educational stipends given to students from all type of higher public educational institutions. The stipends are paid from the institutional scholarship funds based on specific institutional educational performance criteria, while the government defines overarching maximum stipend levels. Maximum levels also depend on the educational institution type. The rate and criterion for receiving promotional education stipends are determined by the schools themselves according to the regulations on the provisions of stipends. Since July 3rd, 2020, targeted promotional educational stipends were introduced by the Ministry of Economy and Innovations for students of targeted educational fields: 200 EUR monthly stipends for students studying informatics, mathematics and engineering sciences in Lithuanian universities and colleges operating in Klaipėda, Šiauliai and Panevėžys regions³⁵; 300

³² Based on the following law: 2018-06-28, No. XIII-1339 “Lietuvos Respublikos nelaimingų atsitikimų darbe ir profesinių ligų socialinio draudimo įstatymo Nr. VIII-1509 3, 15, 19, 26 ir 27 straipsnių pakeitimo įstatymas”. 2018, No. 11434.

³³ Based on the following law: 2018-12-11, No. XIII-1722 “Lietuvos Respublikos nelaimingų atsitikimų darbe ir profesinių ligų socialinio draudimo įstatymo Nr. VIII-1509 20 straipsnio pakeitimo įstatymas”. 2018, No. 20976.

³⁴ Based on the following law: 2018-06-28, No. XIII-1339 “Lietuvos Respublikos nelaimingų atsitikimų darbe ir profesinių ligų socialinio draudimo įstatymo Nr. VIII-1509 3, 15, 19, 26 ir 27 straipsnių pakeitimo įstatymas”. 2018, No. 11434.

³⁵ Based on the following law: ‘Dėl Lietuvos Respublikos Vyriausybės 2017 m. kovo 1 d. nutarimo Nr. 149 „Dėl Lietuvos Respublikos mokslo ir studijų įstatymo įgyvendinimo“ pakeitimo’. 2020-07-02, Nr. 14854. <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/61c39c44bc4b11ea9a12d0dada3ca61b>

EUR monthly stipends for bachelor students of pedagogy and/or special pedagogy³⁶. Since July 1st, 2020, the promotional stipends cannot be lower than 1*BSA³⁷. Targeted promotional educational stipends are equal to 3.73* BSA and 2.88*BSA based on the study field. No changes in 2021-2024.

Social stipends (*socialinės stipendijos*): is a type of educational stipend given to students from low-income families if they study at public educational institutions. Social stipends are assigned to educational establishment, as part of their institutional scholarship fund. Social stipends are paid only for the students in higher education, students have a right to get social stipends and promotional stipends at the same time; students from vocational training institutions can get lump sum payments from the school budget on decision of appropriate administrative body. The State Studies Foundation is responsible for the payment of the social stipends³⁸, which are equal to 6.5 BSA³⁹. Bachelor, masters, doctoral and vocational training students are eligible to receive benefit if they meet at least one of the following conditions: 1) is eligible to receive the social assistance benefit; 2) has working capacity level of 45% or less or is with severe/moderate disability; 3) is not older than 25 years of age and has been placed in custody (care) or parent(s) have died. No changes in 2021-2024.

Municipal support (*vienkartinės pašalpos iš savivaldybių biudžetu*): municipalities have a right to grant a one-time social support benefit for the families or single persons if they do not pass the income test or the eligibility criteria to the social assistance. The rules of granting a one-time municipal social support are set at the local authorities' level.

Social assistance to pupils (*socialinė parama mokiniams*): a means-tested free meals to pupils (except for lunch for the first and second grade pupils without means-test) and support for school's supplies (equal to 2 BSI) prior to the beginning of a new school year. The threshold for the income test for both benefits is equal to 1.5 state supported income (SSI) per household member (or 2 SSI for some groups). Free meals can be also offered during summer holidays at summer camps organised by schools.

Compensation for drugs and medical devices (*vaistų ir medicinos pagalbos priemonių įsigijimo išlaidų kompensavimas*): granted to insured people based on *the Law of Health Insurance*. Children until the age of 18 and people with severe disability have a right to 100% compensation for approved drugs and medical devices. Pensioners, other people with disabilities, or people ill with certain disease have a right to partial compensation of the approved drugs and medical devices. People get immediate discounts at pharmacies for approved drugs or medical devices.

Medical rehabilitation and compensation for sanatorium expenses (*medicininės reabilitacijos ir sanatorinio gydymo išlaidų kompensavimas*): granted to insured people based on *the Law of Health Insurance*. 100% of medical rehabilitation expenses are compensated for children until the age of 18, people with severe disability and people ill with certain diseases. 90%

³⁶Based on the following law: 'Dėl Lietuvos Respublikos Vyriausybės 2017 m. kovo 1 d. nutarimo Nr. 149 „Dėl Lietuvos Respublikos mokslo ir studijų įstatymo įgyvendinimo“ pakeitimo'. 2020-06-04, Nr. 12273. <https://www.e-tar.lt/portal/legalAct.html?documentId=9dd940f0a66511eab9d9cd0c85e0b745>

³⁷ Based on the following law: 'Dėl Lietuvos Respublikos Vyriausybės 2017 m. kovo 1 d. nutarimo Nr. 149 „Dėl Lietuvos Respublikos mokslo ir studijų įstatymo įgyvendinimo“ pakeitimo', No. 14854.

³⁸ Based on the following resolution "Socialinių stipendijų aukštųjų mokyklų studentams skyrimo ir administravimo tvarkos aprašas". Patvirtinta Lietuvos Respublikos Vyriausybės 2009 m. gruodžio 23 d. nutarimu Nr. 1801. http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=390234.

³⁹Based on the following law: 'Lietuvos Respublikos mokslo ir studijų įstatymo Nr. XI-242 82 straipsnio pakeitimo ir įstatymo papildymo 82-1 straipsniu įstatymas'. 2020-06-09, Nr. 12613. <https://www.e-tar.lt/portal/legalAct.html?documentId=09329240aa5611eab9d9cd0c85e0b745>

of basic sanatorium expenses are compensated for children until age 7 and people with disabilities until age 18. Basic sanatorium prices are defined by the Ministry of Health.

Severance pay/compensation (*Išėitinė kompensacija*): paid if the labour contract is terminated at the employer's initiative and no fault of the employee is identified. The severance pay/compensation is paid by the employer in relation to the employment duration at the company. This benefit is subject to the personal income tax.

1.4. Social contributions

Social insurance contributions (*socialinio draudimo įmokos*) to the State Social Insurance Fund (*Socialinio draudimo fondas, SoDra*) are compulsorily paid by all employers and employees of private and public sectors as well as main categories of self-employed people. Contributions are flat-rate, but they differ for employees and self-employed. Furthermore, contribution rates vary considerably among different categories of self-employed people. Social insurance contributions are paid for pensions, health care, sickness and maternity, employment injuries, occupational diseases and unemployment insurance. Social insurance contributions are subject to ceilings (except for the healthcare contributions and for the funded pension scheme) of 60 AMS (but only for the employees' contributions)⁴⁰ and floors equal to the monthly minimum wage (applied to both employees and employers' contributions).

Employee's contributions: All employees of private and public sector pay the total contributions of 19.5%, divided between pension (8.72%), sickness (1.99%), maternity (1.81%) and health (6.98%) social insurance⁴¹. Those who participate in the 2nd pension pillar, pay an additional contribution of 3% of their salary with the state subsidy of 1.5% of the AMS.

Employer's contributions: All employers of private and public sector pay social insurance contributions on behalf of their employees (the standard total rate being 1.77%, however, it can vary from 1.45% to 2.49% depending on the type of contract (open-ended or temporary) and if it is a budget institution., etc.). Employers usually pay: unemployment social insurance contributions (1.31%), to the employment injuries and occupational diseases social insurance (0.14%), payments to the long-term work benefit fund (0.16%), the guarantee fund (0.16%) and ⁴². The last two types of insurances are not paid on behalf of people working in bank of Lithuania and in government institutions, while the payment to the guarantee fund is not made for people working in political parties, trade unions, religious communities and foreign companies. Employer contributions are subject to the floors of the minimum monthly salary (MMS), meaning that employers have to pay social insurance contributions not lower than for the MMS for those employees whose monthly salaries are below the MMS. No changes in 2021-2024.

Contributions for self-employed. Most self-employed are also covered by the social insurance system for different social risks. The coverage of different groups of the self-employed by social insurance has been gradually expanded. Depending on the group of self-employed one belongs to (currently 7 different groups are specified) they are covered by different types of social insurance. For example, persons engaged in individual activities are covered by the pension, sickness and maternity social insurances, paying the total of 12.52% on 90% of their received yearly income, while persons carrying out activities under a business certificate pay only 8.72% of MMS to the pension insurance.

⁴⁰Based on the following law; 'Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 10, 15, 16, 32 ir 34 straipsnių pakeitimo ir Įstatymo papildymo 34-1 straipsniu įstatymas'. No. XIII-1720, 2018-12-11. <https://www.e-tar.lt/portal/legalAct.html?documentId=be79ae40044911e9a5eaf2cd290f1944>

⁴¹ Based on the following law: 2018-12-11, No. XIII-1719 "Lietuvos Respublikos valstybinio socialinio draudimo fondo biudžeto 2019 metų rodiklių patvirtinimo įstatymas". 2018, No. 20701.

⁴² Based on the following law: 2018-12-11, No. XIII-1719 "Lietuvos Respublikos valstybinio socialinio draudimo fondo biudžeto 2019 metų rodiklių patvirtinimo įstatymas". 2018, No. 20701.

1.5. Compulsory health insurance contributions

Health insurance contributions are compulsory. All people receiving taxable people pay health contributions of 6.98% of their gross salary. People who do not have taxable income and who are not otherwise insured for health social insurance by the government (see Section 2.7.3 for details), nevertheless have to pay the compulsory monthly health insurance contribution of 6.98% of the MMS.

1.6. Taxes

Personal Income Tax (*asmens pajamų mokestis*) has a progressive schedule and is applied on taxable individual income. This tax is paid according to the *Law on Personal Income Tax (Lietuvos Respublikos gyventojų pajamų mokesčio įstatymas)*. Taxable income includes most types of incomes, but over 50 categories are excluded (most importantly, all state social assistance or social insurance benefits, paid from state and municipal budgets or Social Insurance Fund, apart from sickness, maternity leave, paternity leave, childcare and long-term work benefits) as well as income from activities exercised under a business certificate. In addition, various non-taxable amounts are deducted from certain types of income (most notably from employment income, often referred to as basic allowance) and certain expenditures (e.g., private pension contributions) reduce taxable income. The main 20% PIT rate is applied the annual taxable income below or equal to 60 AMS, and the second 32% PIT rate if the annual taxable income exceeds 60 AMS. 15% tax rate is applied to taxable benefits from the social insurance fund, as well as to dividends and self-employment income.

Corporate Income Tax (*pelno mokestis*) is paid by Lithuanian and foreign entities. For the purpose of calculating taxable profits of Lithuanian entity non-taxable income and deductions can be deducted. The tax rate on the taxable profits of Lithuanian entities and permanent establishments is 15%. Since January 1st, 2021, entities with less than 10 employees and annual revenue below 300 thousand euros benefit from a 0% tax rate in the first year and 5% later⁴³. Since 1st July 2022, an additional taxation of the profits of credit institutions is implemented⁴⁴. The share of taxable profits of credit institutions (e.g. banks) exceeding 2,000,000 EUR is subject to an additional tax rate of 5%⁴⁵. No changes in 2024.

Inheritance tax (*paveldimo turto mokestis*) is set according to the *Inheritance Tax Law (Lietuvos Respublikos paveldimo turto mokesčio įstatymas)*. The taxable value of inherited property is taxed at either 5% (when the value is under 150 000 euros) or 10% otherwise. The tax is applied on the 70% of the total value (see *Dėl Paveldimo turto apmokestinamosios vertės apskaičiavimo taisyklių patvirtinimo*). No tax is applied to property that is inherited by spouses, close kin and for property of low value. Some allowances or deductions may be granted by municipalities.

Land taxes (*žemės mokestis*) are set according to *Lietuvos Respublikos žemės mokesčio įstatymas*. are based on the assessed value of the land and paid by the landowner. The land tax calculation is based on land value, which is estimated according to land assessment methodology proven by the Government.⁴⁶ Generally, a land tax value is based on immovable property register

⁴³ Based on the following law: ‘Lietuvos Respublikos pelno mokesčio įstatymo Nr. IX-675 5 ir 30 straipsnių pakeitimo įstatymas’. No. XIV-39, 2020-12-15. <https://www.e-tar.lt/portal/legalAct.html?documentId=c176eaf03ede11eb8d9fe110e148c770>

⁴⁵ Based on the following law: ‘Lietuvos Respublikos pelno mokesčio įstatymo Nr. IX-675 2, 4, 12, 14, 30, 31, 55, 56-1 straipsnių, 3 priedėlio pakeitimo ir įstatymo papildymo 38-3, 40-2, 56-2 straipsniais įstatymas’. 2019-12-30. Nr. 21550.

⁴⁶ Based on the following resolution “LR Vyriausybės 1993 m. rugpjūčio 3 d. nutarimas [Nr. 603](#) „Dėl žemės mokesčio“.

data and it is calculated by the local State Tax Inspectorate. Some people are exempt from land tax liability, e.g. people with disabilities, pensioners. Some allowances or deductions may be granted by municipalities. The rate of land tax ranges from 0.01% to 4% of the assessed value of land and is defined individually by each council of municipality⁴⁷.

Value Added Tax (*pridėtinės vertės mokesčiai*) is set by the *Law on Value Added Tax (Lietuvos Respublikos pridėtinės vertės mokesčio įstatymas)*. The standard rate is 21%. Reduced and super reduced rates also exist for some goods and services: 9% (for, e.g., district heating, books, certain transportation, hotel accommodation) and 5% (e.g. pharmaceuticals and newspapers). Several services are exempt from VAT (e.g., financial services), while other services and goods are exempt depending on the provider and the recipient (e.g., non-profit institution, state institution, political parties, trade unions and other non-profit entities for their members).

Excise Duties (*akcizai*) are charged on alcohol and alcoholic beverages, tobacco, and energy products according to *Law on Excise Taxes (Lietuvos Respublikos akcizų įstatymas)*.

Immovable Property Tax (*nekilnojamo turto mokesčiai*) is set according to the Law on Immovable Property Tax (*Lietuvos Respublikos nekilnojamojo turto mokesčio įstatymas*). This tax is paid by natural and legal persons. The immovable property tax can range from 0.3% to 3% of the assessed value of property. The tax rate of commercial immovable property is set by the municipality, while the residential immovable property tax rate is set by the central government. The residential immovable property tax rate is zero for the first 150 000 euro (200.000 EUR for families with three or more children or raising children (under 18 or older) with disabilities) and rises to 0,5, 1 and 2%.

Other taxes

Other indirect taxes include Income Deductions according to Forest Law, Tax on state natural resources, Tax on real estate - Leasing of state-owned land, Lottery and Gambling Tax, Vehicle Tax, Environment Pollution Taxes, Tolls and International Trade and Transaction Taxes.

2. SIMULATION OF TAXES AND BENEFITS IN EUROMOD

2.1. Scope of simulation

Not all the taxes and benefits mentioned in the previous section are simulated in EUROMOD. Some of the taxes or benefits are beyond the scope of EUROMOD (i.e. indirect or business taxation) and are therefore excluded from further simulations or imputations into the EUROMOD underlying database. Their descriptions serve primarily as a tool for a better understanding of the overall tax-benefit structure in Lithuania. Some of the direct taxes and benefits are also not possible to simulate based on the available data. If feasible, though, they are included (as observed in the original data source) in the EUROMOD database either as individual or/and aggregate income sources.

Table 2.1 and Table 2.2 list the main Lithuanian tax-benefit instruments, as discussed in Section 1, and provide a brief explanation as to why the instrument is not (fully) simulated or in which format it is included in the EUROMOD database. Most of the benefits that are simulated in EUROMOD are family benefits that depend on the number of children and their age. Furthermore,

⁴⁷ Based on the following law “Lietuvos Respublikos Žemės mokesčio įstatymo pakeitimo įstatymas“. Žin., 2011, Nr. 163-7743.

http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=415667&p_query=&p_tr2=2

simulations are possible for a number of contributory (social insurance based) benefits, such as maternity leave or benefits assigned to low-income households. A number of benefits, which entitlement rights dependent on contribution history (i.e., pensions, sickness benefit, disability benefits, etc.) are not simulated due to the lack of data on previous employment history and salaries received, some event occurrence (i.e., disability or accident at work).

Most of the direct income taxes and social insurance contributions are simulated (except some minor ones), as they are calculated as percentages of gross labour earnings, which are available in the EU-SILC database. Nevertheless, some specific tax allowances or taxation of specific income types cannot be simulated due to the lack of more detailed information on a person's disability degree, economic activity type or other specific socio-economic information that is not collected in the EU-SILC database. In such cases, the basic allowance level or other general income taxation rules are applied.

Table 2.1 Simulation of benefits in EUROMOD, 2021-2024

Benefit	Variable name(s)					Main limitations/other remarks
		2021	2022	2023	2024	
Birth grant	bchba_s	S	S	S	S	
Universal child benefit	bchnm_s	S	S	S	S	Introduced in 2018
Additional child benefit	bch00_s	S	S	S	S	
Benefit to a conscript's child	-	E	E	E	E	No recipients could be observed due to the very limited scope of the benefit.
Guardianship benefit	bchor	I	I	I	I	No data on guardianship (curatorship); also included in the variable bfa.
Grant for housing (settlement)	-	E	E	E	E	Not identified in the data
Benefit for multiple birth families	bchmp_s	S	S	S	S	Introduced in 2017
S'tudent's childcare benefit	bmaed_s	S	S	S	S	Introduced in 2017
Pregnancy grant	bmaprnc_s	S	S	S	S	No data on contribution history
Maternity leave benefit	bmapret_s	S	S	S	S	No data on contribution history
Paternity leave benefit	bpplt_s	S	S	S	S	No data on contribution history
Childcare benefit	bmact_s	S	S	S	S	No data on contribution history
Social assistance benefit	bsa00_s	PS	PS	PS	PS	No data on assets
Compensations for heating of a dwelling, cold and hot water expenses, and sewage	bho	I	I	I	I	No data on expenditures available

Unemployment social insurance benefit	bunct_s	PS	PS	PS	PS	No data on contribution history
Long-term work benefit	bunct01_s	PS	PS	PS	PS	Modelled with assumptions
Old-age pension	boa	IA	IA	IA	IA	No data on contribution & wage history;
Early retirement old-age pension	byr	I	I	I	I	No data on contribution & wage history or application for early-retirement; also included within aggregate variable bun
Disability pension	bdi	IA	IA	IA	IA	No data on disability occurrence.
Invalidity pension	bdi / boa	-	-	-	-	No data on disability occurrence; information included in variables bdi or boa (hereinafter referred to as bdi/boa), splitting by retirement age
Survivor's or orphan's pension	boa/bsu	IA	IA	IA	IA	No data on the loss of family members; included in variables boa or bsu, based on recipient's retirement age.
Sickness benefit	bhl	IA	IA	IA	IA	No data on sickness duration
Vocational rehabilitation allowance	bdi	IA	IA	IA	IA	No data on event occurrence
Occupational disease allowance	bdi	IA	IA	IA	IA	No data on event occurrence
Disability grant	bdi/boa	IA	IA	IA	IA	No data on incapacity occurrence
Work incapacity periodical compensation	bdi/boa	IA	IA	IA	IA	No data on incapacity occurrence
State pensions of degree one or two	boa	IA	IA	IA	IA	No data on occupational achievements
State pensions for victims	bdi	IA	IA	IA	IA	No data on participation in recognized aggressions, political imprisonment, deportations, etc.
State pensions for officers and soldiers	boa	IA	IA	IA	IA	No data on occupation history
State pensions for scientists	boa	IA	IA	IA	IA	No data on academic career length
State pensions for judges	boa	IA	IA	IA	IA	No data on detailed occupational segregation and history

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President of the Republic of Lithuania spouse state pension	-	E	E	E	E	No recipients could be observed due to the very limited scope of the benefit.
President of the Republic of Lithuania orphan state pension	-	E	E	E	E	No recipients could be observed due to the very limited scope of the benefit.
Temporary childcare allowance	-	IA	IA	IA	IA	No data on the need for child protection.
Compensations for special working conditions	boa	IA	IA	IA	IA	No data on hazardous jobs worked
State social assistance benefits/pensions	boa/bdi	IA	IA	IA	IA	No information on relevant conditions, as disability occurrence, nursing at home, etc.
Loss of breadwinner's pension	bsu	IA	IA	IA	IA	No data on previous rights to the benefit;
Retirement pension	boa	IA	IA	IA	IA	No data on previous rights to the benefit
Single person benefit	bsg_s	S	S	S	S	Introduced in 2021
Educational stipends and other financial support for unemployed	bed	IA	IA	IA	IA	No data on participation in non-formal education programmes;
Vocational training support	-	E	E	E	E	No data on those receiving vocational education scholarships.
Apprenticeship	-	E	E	E	E	No data on participation under an apprenticeship contracts.
Social stipends	bed	IA	IA	IA	IA	No data on affiliation to different type of educational establishments
Promotional education stipends	bed	IA	IA	IA	IA	No information on grades
Municipal support	bsals	I	I	I	I	No information on different benefit rules by municipalities; inclusive of NGO support.
Free meals to pupils	-	E	E	E	E	Value of the meal could only be based on the maximum subsidy amounts to food providers.

Free school's supplies prior to the beginning of a new school year	-	E	E	E	E	No rules for benefit distribution in 2005-2006. No information on families being at "social-risk or special conditions set by education institutions.
Compensation for drugs and medical devices	-	E	E	E	E	No information on consumption of drugs
Funeral benefit	bsu	IA	IA	IA	IA	No information on the loss of family members or benefit split among the relatives
Severance pay	yunsv	I	I	I	I	No information on circumstances upon termination of the job contract.
Sickness benefits to persons taking care of children during Covid-19 quarantine	sickcomp_s	S	-	-	-	No data of those who became infected during performance of their duties. Modelled based on a random allocation for parents and those with children with disability.
Temporary jobseeker's benefit	bunnc_s	S	-	-	-	Modelled with assumptions.
Temporary benefit for the self-employed	ysecomp_s	S	-	-	-	Randomly allocated among those who satisfy eligibility rules to match the external statistics. Self-employment income adjusted accordingly. No actual information about losses of self-income during Covid-19.
Subsidies to remain in the labour market during Covid-19 quarantine	yemdowncomp_s	S	-	-	-	Randomly allocated among those who satisfy eligibility rules to match the external statistics.
Compensation for heating costs	xhcht_s	PS	PS	PS	PS	Modelled with assumptions on average monthly heating costs
Compensation for water costs	xhcwt_s	PS	PS	PS	PS	No data on cold/hot water usage and price, therefore average cold/hot water usage in m3 per person is used.

[a] Variable extension "_s" indicates variable that has been simulated. Other variables are taken/ imputed from the used micro-data. Notes: "-": policy did not exist in that year; "E": *excluded* from the model as it

is (neither included in the micro-data nor simulated); “I”: *included* in the micro-data but not simulated; “IA”: included in the micro-data in an aggregated variable but not simulated; “PS”: *partially simulated* as some of its relevant rules are not simulated; “S”: *simulated* although some minor or very specific rules may not be simulated.

Table 2.2 Simulation of taxes and social contributions in EUROMOD, 2021-2024

Taxes and social contributions	Variable name(s)	Main limitations/other remarks				
		2021	2022	2023	2024	
Personal Income Tax	tin_s	S	S	S	S	Certain income sources (e.g., from sale of financial assets) are aggregated and then approximately simulated. Business licence tax is imputed from the data.
Corporate Income Tax	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
Land Tax	-	E	E	E	E	Outside the scope of the model
Inheritance tax	-	E	E	E	E	No information available
Immovable property tax	-	E	E	E	E	Outside the scope of the model
VAT	tco_lt	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS
Income Deductions according to Forest Law	-	E	E	E	E	Outside the scope of the model
Income Deductions according to Law on Road Maintenance and Development Programme Financing	-	-	-	-	-	Outside the scope of the model
Excise duties	tco_lt	S	S	S	S	Calculations based on extended input files with consumption expenditures from HBS
Deferment and apportionment of tax payments due to Covid-19	-	E	E	E	E	Outside the scope of the model
Lottery and Gambling tax	-	E	E	E	E	Outside the scope of the model
Vehicle Tax	-	E	E	E	E	Outside the scope of the model
Environment Pollution Taxes	-	E	E	E	E	Outside the scope of the model
Tolls	-	E	E	E	E	Outside the scope of the model
International trade and transaction taxes	-	E	E	E	E	Outside the scope of the model

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Credited social contributions	ils_sicct	PS	PS	PS	PS	Only some of the eligible groups identified.
Credited contributions for health insurance	tsccthl_s	S	S	S	S	
Employers' social insurance contributions:	ils_sicer	S	S	S	S	
- pension social insurance	tscerpi_s	S	S	S	S	
- sickness and maternity social insurance	tscersi_s	S	S	S	S	
- unemployment social insurance	tscerui_s	S	S	S	S	
- health insurance	tscerhl_s	S	S	S	S	
- employment injuries and occupational diseases social insurance	tscerac_s	S	S	S	S	
-payments to the guarantee fund	tscersf_s	S	S	S	S	
-payment to the long-term unemployment fund	tscerot_s	S	S	S	S	
Employees social insurance contribution:	ils_sicee	S	S	S	S	
- pension social insurance	tsceepi_s	S	S	S	S	
- sickness and maternity social insurance	tsceesi_s	S	S	S	S	
- health insurance	tsceehl_s	S	S	S	S	
- contributions to the second pillar pensions	tpceepi_s	S	S	S	S	Random allocation used for different rates.
Self-employed social insurance contributions:	ils_sicse	S	S	S	S	
- for pensions	tscsepi_s	S	S	S	S	
- for compulsory health insurance	tscehl_s	S	S	S	S	No data on income received from authorship contracts. No data on land size.
- sickness and maternity social insurance	tscsesi_s	S	S	S	S	
- contributions to the second pillar pensions	tpcsepi_s	S	S	S	S	Random allocation used for different rates.

Notes: “-” policy did not exist in that year; “E” policy is *excluded* from the model’s scope as it is neither included in the microdata nor simulated by EUROMOD; “PS” policy is *partially simulated* as some of its relevant rules are not simulated; “S” policy is *simulated* although some minor or very specific rules may not be simulated.

There are several partially simulated components in the Lithuanian policy spine, e.g. social assistance benefit, unemployment benefit and credited social insurance contributions. The policy

is marked in the model as ‘PART SIMULATED’. When there are some elements in the policy, which are part-simulated, those are marked as taken ‘FROM THE DATA’. E.g. in case of unemployment benefit (bunct_s) we take the benefit duration from the data. I.e. for the observed unemployed (bunct > 0) we limit the benefit duration by the actual receipt in the data – max(lunmy,bunmy). This is done to reduce over-simulation of unemployment benefit duration, as not all recipients use the maximum possible duration. A considerable part of unemployment benefit recipients discontinues its receipt earlier than their eligibility would suggest due to finding a new job.

2.2. Main recent policy changes

In addition to changes in the level of taxes and benefits, as well as their related calculation parameters or income lists, the following are the main recent structural changes in the LT system (simulated policies):

Table 2.3 Main recent policy changes

Policies	2021 → 2022	2022 → 2023	2023 → 2024
Benefits	X		X
Social insurance contributions		X	
Direct taxes	Basic allowance increased	Basic allowance increased	Basic allowance increased
Consumption taxes	Tobacco and alcohol excises increased	Standard VAT rates applied to performance and sports services; tobacco and alcohol excises increased	Standard VAT rates applied to restaurant services; various excises increased
Other			

- *Main policy changes between 2021 and 2022*

Student’s childcare benefit is also paid for students who are in full-time general education. Furthermore, the benefit is paid for the care of the youngest child after the first child reaches the age of 2.

Additional indexation of the individual pension component has been introduced. The supplementary index for the individual part of the pension is calculated based on 75% of the surplus of Sodra's pension contributions, which is normally set aside in the reserve. Additionally, the procedure for calculating the basic part of the pension has been changed for persons who have minimum insurance period but do not have the obligatory length of insurance, i.e., they are paid the full part of the total basic pension.

The coverage of single person benefit is ex-ended – single person benefit is granted to single adults with a working capacity level of 55% or less and persons who have reached retirement age and the benefit is no longer linked to receipt of social assistance pension or social insurance old-age or incapacity pension.

Sickness and maternity social security contribution rates have changed. Sickness contribution rate decreased to 1.99%, while maternity contribution rate increased up to 1.81%. For those who participate in the 2nd pension pillars, 1st contribution rate increased up to 2.7% with the state subsidy of 1.2%.

Since 1st of June 2022, the anti-inflation measures package has been introduced, which included increase in BSI (46 EUR), SSI (147 EUR), additional increase in pensions and changes in tax allowances.

Since 1st of June 2022, the basic allowance is 540 EUR per month if the resident's monthly income does not exceed 730 EUR per month. If the resident's income is between 730- 1704 EUR, the monthly basic allowance = $540 - 0.34 \times (\text{monthly employment income} - 730)$; for those with income exceeding 1704 EUR, the monthly basic allowance = $400 - 0.18 \times (\text{monthly employment-related income} - 642)$. Basic allowance is applicable throughout the whole year 2022.

Excises taxes on cigars increased by 20%, cigarettes by 7% and other tobacco by 8%. The majority of excise on alcohol rose by 10%, while the excise of ethyl alcohol rose by 7%.

- ***Main policy changes between 2022 and 2023***

Since 1st of January 2023, childcare benefit is paid until the child reaches either 1.5 year (18 months) or 2 years (24 months), where parent can choose between the two leave options. Since January 1st, 2023, the compensation rate for one-and-a-half-year period benefit is 60%, and for two years period the compensation rate is 45% during the first year and 30% during the second year. Additionally, during childcare leave months each one of the parents has a right to use 2 non-transferable months with higher compensatory rate (4 months for a single parent). The compensation rate for the two non-transferable months for each parent (or four months for a single parent) is 78%.

The mandatory social insurance record for paternity benefit has been reduced to 6 months over the last 24 months. Regarding unemployment benefit, the insured's average monthly insured income is calculated as the average of the 30 months that have passed until the end of the previous calendar month from the day of acquiring the unemployed status. If there is no insured income in any month, it is equal to zero in that month.

The assets test is not applied for social assistance benefits, heating and water compensations.

Since January 1st, 2023, different income thresholds applied for the basic allowance: basic allowance of 625 EUR is applied to income below MMS (840 EUR); for income between MMS and 1926 EUR, withdraw rate has been increased up to 0.42 and for those whose income is above 1926 EUR, regular withdraw rate and basic allowance is applied.

Since July 1st, the standard VAT rate was applied to performance and sports services instead of the 9% reduced rate.

Excises taxes on cigars increased by 20%, cigarettes by 7% and other tobacco by 8%. The majority of excise on alcohol rose by 10%, while the excise of ethyl alcohol rose by 7%.

- ***Main policy changes between 2023 and 2024***

From May, the assets test is re-applied for social assistance benefits, heating and water compensations.

Increased BSA, SSI, SPB, APB amounts affecting many contributory and non-contributory benefits.

The lower limit of the maternity, paternity and childcare benefits increased to 8 BSA (since mid July 2023).

The thresholds and amounts of the basic allowances are changed: the monthly basic allowance of 747 EUR is applied to income below MMS (924 EUR); for income between MMS and 2167 EUR the withdrawal rate is increased to 0.5, for those whose income is above 2167 EUR, the withdrawal rate of 0.18 applied (as before). The allowance is not paid for incomes equal or higher than the 22864.22 EUR threshold. The amount of the basic allowance are also increased for people with reduced working capacity (level of participation).

The standard VAT rate is applied to restaurant services instead of the 9% reduced rate.

Excises taxes on cigars increased by 20%, cigarettes by 7% and other tobacco by 8%. The majority of excise on alcohol rose by 10%, while the excise of ethyl alcohol rose by 7%. Gas oil increased by 10%.

2.3. Order of simulation and interdependencies

2.3.1 Order of simulation in 2021-2024

In 2021-2024 the order of simulation remains the same as before besides the following changes (see

):

- COVID-19 measures are modelled until 2021. These can be implemented using LMA add-on.
- Consumption taxes (tco_lt) are placed at the very end because they depend on household consumption expenditures, and these are estimated by the model based on the income shares (xs_* variables included in the input data) and simulated disposable income (ils_dispy).

Table 2.4 EUROMOD Spine: order of simulation, 2021-2024

Policy	Grp/No	LT_2021	LT_2022	LT_2023	LT_2024	Comment
SetDefault_It		on	on	on	on	DEF: DEFAULT VALUES FOR VARIABLES
uprate_It		on	on	on	on	DEF: UPDATING FACTORS
ConstDef_It		on	on	on	on	DEF: CONSTANTS
IlsDef_It		on	on	on	on	DEF: STANDARD INCOME CONCEPTS
IlsUDBDef_It		on	on	on	on	DEF: UBD INCOME CONCEPTS
ILDef_It		on	on	on	on	DEF: NON-STANDARD INCOME CONCEPTS
TCA_It		on	on	on	on	SWITCH: Tax compliance adjustment (full tax compliance assumed by default; since 2017 data tax evasion corrections can be switched)
random_It		on	on	on	on	DEF: generate random number
wage_adj_It		on	on	on	on	DEF: recalculation of gross wage (by a factor: 1.289)
TransLMA_It		off	off	off	off	DEF: Modelling labour market transitions (DO NOT SWITCH ON; ONLY WORKS WITH THE LMA ADD-ON)
TUDef_It		on	on	on	on	DEF: ASSESSMENT UNITS
yem_It		switch	switch	switch	switch	DEF: Minimum wage
neg_It		on	on	on	on	DEF: Recode negative income to zero
boa00_It		switch	switch	switch	switch	SWITCH: old-age pension indexation
boa_It		on	on	on	on	BEN: pension cuts, compensations, bonuses, lump-sum payments
bsg_It		on	on	on	on	BEN: benefit for a single person (vienišo asmens išmoka)
sickcomp_It		on	n/a	n/a	n/a	DEF: compensation for parents looking after children during Covid - sickness payment
sickadj_It		on	n/a	n/a	n/a	DEF: compensation for parents looking after children during Covid - sickness payment
ysecomp_It		on	off	off	n/a	DEF: compensation for self-employed during Covid
yseadj_It		off	off	off	n/a	DEF: compensation for self-employed during Covid (DO NOT SWITCH ON; ONLY WORKS WITH THE LMA ADD-ON)
yemdowncomp_It		on	n/a	n/a	n/a	DEF: wage compensation during Covid quarantine
yemdownadj_It		on	n/a	n/a	n/a	DEF: wage compensation during Covid quarantine
yemcomp_It		n/a	n/a	n/a	n/a	DEF: wage compensation after Covid quarantine (in 2020)
yemadj_It		n/a	n/a	n/a	n/a	DEF: wage compensation after Covid quarantine
bmaprct_It		on	on	on	on	BEN: maternity leave benefit (motinystės išmoka, iki 2017 m. motinystės pašalpa)
bmaprnc_It		on	on	on	on	BEN: pregnancy grant (vienkartinė išmoka nesciai moteriai)
bmact_It		on	on	on	on	BEN: childcare benefit (vaiko priežiūros išmoka), before 2017: maternity (paternity) leave benefit (motinystės (tevystės) pašalpa)
bplct_It		on	on	on	on	BEN: paternity leave benefit (tevystės pašalpa) - since 2007
bmaed_It		on	on	on	on	BEN: student's childcare benefit (išmoka besimokancio ar studijuojancio asmens vaiko priežiurai) since 2017.06
bunct_It		on	on	on	on	BEN: unemployment insurance benefit (nedarbo draudimo išmoka): PART SIMULATED
bunct_FYA_It		switch	switch	switch	switch	BEN: unemployment insurance benefit (nedarbo draudimo išmoka): FULL YEAR ADJUSTMENT FOR 2017
bunct01_It		on	on	on	on	BEN: long-term work payment (ilgalaikio darbo išmoka) since 2017.07
bunnc_It		on	n/a	n/a	n/a	BEN: temporary jobseeker's allowance - due to Covid
tscse_It		on	on	on	on	SIC: self-employed social insurance contributions (socialinio draudimo imokos)
tpcpi_It		on	on	on	on	SIC: additional contributions to funded pension scheme (II pakopos pensiju imokos) - since 2019
tin_It		on	on	on	on	TAX: personal income tax (asmens pajamu mokestis)
tscsehl_It		n/a	n/a	n/a	n/a	SIC: self-employed social insurance contributions - health (privalomojo sveikatos draudimo imokos)
tscer_It		on	on	on	on	SIC: employer social insurance contributions (socialinio draudimo imokos)
tscee_It		on	on	on	on	SIC: employee social insurance contributions (socialinio draudimo imokos)
bchmp_It		on	on	on	on	BEN: benefit for multiple birth families (išmoka gimus dviem ir daugiau vaikų)
bchnm_It		on	on	on	on	BEN: child benefit (universalios vaiko išmoka) since 2018
bch00_It		on	on	on	on	BEN: additional child allowance (papildoma išmoka vaikui) "additional" since 2018
bchba_It		on	on	on	on	BEN: birth grant (vienkartinė išmoka gimus vaikui)
bsa00_It		on	on	on	on	BEN: social benefit (socialinė pašalpa)
bsa_FYA_It		switch	switch	switch	switch	BEN: social benefit (socialinė pašalpa) - increase in 2020 due to Covid - temporary and permanent measures
xhcht_It		off	off	off	off	BEN: compensation for heating costs (būsto šildymo išlaidų kompensacija)
xhcwt_It		off	off	off	off	BEN: compensation for water costs (vandens išlaidų kompensacijos)
tsct_It		on	on	on	on	SIC: credited social insurance contributions
thl_It		on	on	on	on	Mandatory health contribution (PSD)
too_It		off	off	off	n/a	TAX: Commodities
output_std_It		on	on	on	on	DEF: STANDARD OUTPUT INDIVIDUAL LEVEL
output_minwage_It		switch	switch	switch	switch	DEF: MINWAGE OUTPUT INDIVIDUAL LEVEL
output_std_hh_It		off	off	off	off	DEF: STANDARD OUTPUT HOUSEHOLD LEVEL

2.4. Policy switches

There are several standard switches included into the spine (see above):

- **neg_lt**: switched ON by default
 - recodes negative income to zero; currently this policy only recodes negative self-employment income to zero, initial value stored in `i_yse0`
- **yem_lt**: switched OFF by default
 - if hourly wage is lower than hourly minimum wage recalculated in accordance to the minimum wage, leaving hours of work as recorded in the data; if switched ON by using MWA extension, it overwrites `yem`.
- **FYA_lt**: switched OFF by default in 2017, ON by default in 2020 and 2021
 - full year simulations that can be used instead of the default policy simulations as of 30th June. In 2017 the switch is used to simulate a mid-year change in social insurance unemployment benefit (modelled in `bunct_FYA_lt`). In 2020 this full year extension takes into account the increase in the social assistance benefit (in the amount and the income disregard in addition to the relaxed means-tested conditions) due to the COVID-19 pandemic (modelled in `bsa_FYA_lt`). In 2021, full-year adjustment introduced to account for single person benefit starting from July 1st (modelled as the full-year extension includes new policy component for certain groups of pension beneficiaries (modelled as `bsg_lt`)).
- **boa00_lt**: switched OFF by default
 - old-age pension indexation of `boa`, `bdi` and `boact`, where they can be calculated according to the pension formula. Since 2018, the conversion coefficient (0.78) is applied when recalculating former pension records into the point system.
- **TCA_lt**: switched OFF by default
 - tax compliance adjustment can be turned on since year 2017, where the data tax evasion corrections can be switched ON.
- **HHoT – Unemployment extension (HHoT_un)**: switched ON by default with HHoT data
 - this extension improves the simulation accuracy of the unemployment insurance benefit when EUROMOD is run with hypothetical data. For instance, in most countries the legislation of this benefit requires information on variables such as individuals' employment history, which are not available in SILC; we can define these variables in HHoT and use them to simulate the policy's rules more precisely when running the model with hypothetical data.
- **Benefit Calibration Adjustments (BCA)**: switched OFF by default
 - this extension allows the user to calibrate the receipt of benefits to match the simulated total expenditure of a benefit to real expenditure from external statistics. The extension is implemented for the simulation of the social assistance benefit (`bsa00_lt`). The default for the baseline is off. When the extension is on, a subset of eligible observations is selected randomly as beneficiaries so that the real expenditure is reached, removing the benefit from the rest of the eligible

observations; when off, all eligible observations are kept as beneficiaries. This extension shares most of its functions with the BTA extension; as a general rule, only one of the extensions should be on, but if both are, the lowest rate between the take-up rate and the calibration rate will be applied. More details on the specific implementation of BCA and BTA extensions are provided in the subsections describing the corresponding benefit.

- **Benefit Take-Up Adjustments (BTA):** switched OFF by default
 - This extension allows the user to apply non-take-up corrections. The extension is used for the simulation of social assistance benefit (bsa00_1t). The default for the baseline is off. When the extension is on, a share of (weighted) eligible observations equal to the take-up rate is selected randomly as beneficiaries, removing the benefit from the rest of the eligible observations; when off, all eligible observations are kept as beneficiaries. This extension shares most of its functions with the BCA extension; as a general rule, only one of the extensions should be on, but if both are, the lowest rate between the take-up rate and the calibration rate will be applied. More details on the specific implementation of BCA and BTA extensions are provided in the subsections describing the corresponding benefit.

2.5. Minimum wage

- ***Brief description***

Minimum wage is usually changed as of 1st of January.

- ***Definitions and eligibility conditions***

The unit of analysis is individual. If the actual wage is less than minimum wage, then wage is replaced with minimum hourly wage times actual working hours.

- ***Amount***

It is either defined in monthly or hourly terms.

EUROMOD note:

Monthly income from employment (taking into account the number of months in work) is set equal to minimum wage (proportional to the hours worked) if the income from employment is less than minimum wage and is positive, and if working hours are less than or equal to 40 hours per week. We do not apply the minimum wage correction when a person earns more than a monthly minimum wage, but their hourly wage is still less than a minimum wage.

By default, the simulation of minimum wage is set off, i.e., is not part of the baseline.

2.6. Benefits

2.6.1 Single person benefit (bsg_s)

- *Brief description*

single person benefit is granted to single adults with a working capacity level of up to 55% and persons who have reached the statutory retirement age and does not receive any widow's or orphan's benefit or these benefits are lower than the single person benefit.

- *Eligibility conditions*

Individuals are entitled to a single person benefit if their working capacity (participation) level is up to 55% or they have reached the statutory pension age and declared their place of residence in the Republic of Lithuania or included in the records of individuals who have not declared their place of residence. They have to be either not married, their marriage has ceased to exist or are widows that receive no social insurance survivors' pension, state survivors' pension, state survivors' annuity and/or a periodic pension benefit from a foreign state, or the amount of the benefit received (the total of these benefits) is less than the single person benefit or do not receive the social insurance widow's pension and/or a state widow's pension because instead of these widows' pensions they have chosen to receive the social insurance orphan's pension and/or the state' orphan's pension.

Before 2022, the receipt of the benefit was linked to the receipt of certain types of pensions or was paid to people who lost up to 60% of their working capacity. No major changes in 2024.

- *Income test*

No income test applied.

- *Benefit amount*

The amount of the benefit was 28.63 EUR in 2021, 32 EUR in 2022, 34.89 EUR in 2023 and is 38.23 EUR in 2024. The benefit is not taxable.

2.6.2 Birth grant (bchba_s)

- *Brief description*

This benefit is a non-contributory lump-sum cash benefit paid upon the birth of a child.

- *Definitions*

The primary unit of analysis is family.

- *Eligibility conditions*

The benefit is paid to one of the parents (adoptive parents) or a guardian of a child born that year.

- *Income test*

No income test applied. As it is a one-off lump-sum benefit, it is not included for income testing for the social assistance and the additional child benefits.

- *Benefit amount*

The benefit amounts to 11 BSA per eligible dependent child during the entire 2021-2024 period, which is 605 EUR in 2024. The benefit is not taxable.

2.6.3 Universal child benefit (bchnm_s)

- *Brief description*

It is a non-contributory monthly cash benefit for each dependent (guarded) child until they reach the age of 18 or below 23 if in full-time general education, including those in vocational education, also while on leave due sickness, pregnancy, or childbirth

- *Definitions*

The unit of analysis is the family.

- *Eligibility conditions*

The benefit is paid to all families and care institutions (irrespective of their care form: non-governmental guardianship institution, family-type guardianship institution or childcare institution) having one or more dependent (guarded) children up to the age of 18 or below the age of 23 if in full-time general education (including those in vocational education, also while on leave due sickness, pregnancy, or childbirth).

- *Income test*

No income test applied.

- *Benefit amount*

The benefit level is calculated in relation to the BSA. Since January 1st, 2021, the child benefit is set to 1.75 BSA per child, which is 96.25 EUR in 2024⁴⁸. The benefit is not taxable.

2.6.4 Additional child benefit (bch00_s)

- *Brief description*

It is a non-contributory monthly cash benefit paid to a family raising one or more children up to the age of 18 or under 23 if in full-time general education (including those in vocational education, also while on leave due sickness, pregnancy, or childbirth) if satisfying one of the three conditions: have three or more children, have a child with disability, or have up to two children and family's income is below the certain income threshold. Until 2021, the lower age threshold was used to define children (until 21 years of age).

- *Definitions*

The unit of analysis is the family as defined in section 2.5.2.

- *Eligibility conditions*

To receive this benefit, a family with child(ren) has to satisfy one of the three conditions: must have three or more children, have a child with disability, or have up to two children and family's income is below the certain income threshold.

- *Income test*

The income test is applied only for families raising up to two children, while the benefit is paid without any income testing for families with three or more children or when raising a child with

⁴⁸ Based on the following law: 'Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 2, 6, 10, 15, 17, 18, 20 ir 21 straipsnių pakeitimo įstatymo Nr. XIII-2693 2 straipsnio pakeitimo įstatymas'. No. Nr. XIV-129, 2020-12-23.

disability. To receive the additional child benefit for families with up to two children, an income test is applied based on the same income definition as for the social assistance benefit - (monthly income per each family member can't exceed the threshold of 2 SSI⁴⁹).

- **Benefit amount**

The benefit level is 1.03 BSA, which equals to 56.65 EUR in 2024 (Table 2.5). Only one additional benefit can be paid for the same child (e.g. if a child has disability and is from a low-income family, child's parents are eligible only for one additional child benefit of 1.03 BSA per child per month). The benefit is not taxable.

Table 2.5 Additional child benefit coefficients on January 1, 2021– 2024

Family type	2021-2024	
	Income test applied	Benefit amount per child
Families with 1-2 children	Yes	1.03*BSA
Families with 3+ children	No	
Families with a child with disability	No	

Source: Based on *Law of Benefits to Children* and its relevant amendments & *Temporary Law on Recalculation and Payment of Social Benefits*.

EUROMOD note:

Due to data limitations, it is not possible to distinguish guardians (caregivers) from the data, thus cannot be simulated for them. There is no information on disability level in the input database.

2.6.5 Pregnancy grant (bmaprnc_s)

- **Brief description**

This non-contributory benefit is a lump-sum cash benefit paid to a pregnant woman upon the 28th week of the pregnancy when she is not entitled to receive the maternity leave benefit from the social insurance fund.

- **Definitions**

In principle, the primary unit of analysis would be family as defined in section 2.5.2. However, for technical reasons we define a separate family unit, which consists of partners and their own dependent children who are less than 3 years old.

- **Eligibility conditions**

The benefit is paid to pregnant women who are not eligible to receive the maternity leave benefit (See more benefit details in Section 2.5.6.) and is paid 70 days before the term of childbirth.

- **Income test**

No income test applied.

⁴⁹ Based on the following law “Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 2, 6, 10, 15, 17, 18, 20 ir 21 straipsnių pakeitimo įstatymas”. 2019-12-30. No. 21548

- **Benefit amount**

The benefit is 6.43 BSA, which equal to 353.65 EUR in 2024. The benefit is not taxable. No changes in 2021-2024.

EUROMOD note:

Instead of pregnant women, mothers with an own child aged 0 are considered.

2.6.6 Maternity leave benefit (bmaprct_s)

- **Brief description**

This contributory benefit is a cash benefit paid to a pregnant woman who have the required on the basis *Law on Sickness and Maternity Social Insurance* contributory history. The maternity leave benefit is paid as a lump sum amount for the number of working days in the *applicable period* (see below). If the applicable period stretches into a different calendar year, the benefit could be paid in two lump-sum amounts.

Applicable period:

The benefit is paid to women for a total of 126 calendar days, which covers the period before the childbirth (70 days) and after the delivery (56 days). In the case of complicated childbirth or if more than one child was born, the additional 14 days are added to the total period.

- **Definitions**

The unit of analysis is the family as defined in section 2.5.2.

- **Eligibility conditions**

The benefit is paid if women before the first day of the maternity leave, had sickness and maternity social insurance record of no less than 12 months over the last 24 months. The maternity leave benefit is also paid for those mothers who had a qualifying period of no less than 12 months over the last 24 months but were not employed or insured during pregnancy period.

- **Income test**

No income test applied.

- **Benefit amount**

The maternity benefit is equal to a set percentage of the recipient's average monthly insured income (AMII) (see chapter 1.1 for more details), and is calculated as:

$B = S * X\% * D$, where:

B is maternity benefit; and $B \geq \text{min B}$ (minimum level)

S is a daily compensatory salary; $S \leq$ (levels are not specified)

D is the number of working days in the applicable period.

The daily compensatory salary ("S") is calculated by dividing the beneficiary's monthly income (using the month, when the beneficiary has been granted a right to this entitlement) by the number of working days in that month.

The maternity benefit is equal to 77.58% of the recipient's compensatory income, but cannot be lower than 8 BSA⁵⁰. The lower limit of the maternity benefit increased from 6 BSA in 2022, to 7 BSA in 2023 and since mid-July, 2023 it is 8 BSA.

Since January 1st, 2021, self-employed persons are eligible to receive maternity benefit if they have paid social insurance contributions on at least 1 MMS on a monthly basis and have required insurance period for maternity benefit. If contribution amount is paid from less than 1 MMS, the period of the insured income is considered to be proportionally shorter. The self-employed who are entitled to the maternity benefit, the benefit are paid regardless of their income from self-employment, i.e., the maternity benefit amount will not be reduced if the person receives income from self-employment during the maternity benefit payment period. However, the benefit is reduced if employment income or other benefits (e.g., sickness benefit) are received. The amount of state-funded insurance for a person with the status of an artist is also not taken into account when paying maternity benefit. No changes in 2022-2024.

EUROMOD note:

The payment for additional 14 days is currently not simulated due to data constraints.

As information on the social insurance contribution period is not available, all mothers with an own child aged 0 in EUROMOD are considered eligible if they have been in work for more than six months in the current year⁵¹ (as suggested by observed patterns in the underlying data).

The AMII is approximated in EUROMOD (thereby, also for other relevant family benefits) using either estimated hourly wage rate multiplied by work hours per month (i.e. 168 hours on average) or observed monthly earnings.

Due to data limitations, it is not possible to distinguish whether a woman, receiving maternity benefit, previously was unemployed or not insured.

2.6.7 Paternity leave benefit (bplct_s)

- ***Brief description***

The contributory benefit to fathers (adoptive fathers) of a new-born, who have the required *Sickness and Maternity Social Insurance* contributory history. The benefit for 30 days in total can be claimed from the birth of the child until the child reaches the age of 1 year.

- ***Definitions***

The unit of analysis is the family as defined in section 2.5.2. Insured income (AMII) definition is presented in section 1.1.

- ***Eligibility conditions***

Before the first day of paternity leave (which is of 30 days), a father (adoptive father) must have no less than 6 months over the last 24 months of contribution history. Before 2023, the required contribution period was 12 months over the last 24 months of contribution history⁵².

⁵⁰ Based on the following law: 2018-06-28, No. XIII-1338 „ Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 6, 14, 18, 21, 22, 24 ir 27 straipsnių pakeitimo įstatymas“, 2018, No. 11433

⁵¹ Note that being on maternity leave is considered as in work in the underlying data source, i.e. EU-SILC.

⁵² Based on the following law 'Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 16, 18, 19, 21, 23, 24, 25, 27 ir 33 straipsnių pakeitimo įstatymas'. No. 20050.

There is a statutory requirement to have a legal acknowledgement of the fatherhood of the child in case child was born outside marriage.⁵³

- ***Income test***

No income test applied.

- ***Benefit amount***

The amount of paternity benefit is calculated as a percentage of the benefit recipient's AMII (see chapter 1.1 for more details). The paternity benefit calculated for 30 days and is equal to 77.58% of the recipient's compensatory income⁵⁴, but cannot be lower than 8 BSA and not higher than 2 national average monthly salaries (AMS) The lower limit of the paternity benefit increased from 6 BSA in 2022, to 7 BSA in 2023 and since mid-July, 2023 it is 8 BSA.

As of January 1st, 2021, self-employed persons⁵⁵ who have acquired the right to the paternity benefit, receive the benefit regardless of their income from self-employment, i.e., the paternity benefit amount will not be reduced if the person receives income from self-employment during paternity benefit payment period⁵⁶. However, the benefit is reduced if employment income or other benefits (e.g., sickness benefit) are received. The amount of state-funded insurance for a person with the status of an artist is also not considered when paying paternity benefit. If contributions are paid on the incomes which are below 1 minimum monthly wage (MMS), the contributory period is proportionally shortened.

EUROMOD note:

As information on social insurance record is not available in EUROMOD, all fathers with an own child aged 0 are considered eligible. The requirement of having a legal acknowledgement of fatherhood cannot be simulated in the model.

2.6.8 Childcare benefit (bmact_s)

- ***Brief description***

This contributory benefit is a monthly benefit to one of the parents (adoptive parents) or a guardian or a grandparent to take care of a child until they reach either 18 or 24 months, granted on the basis of *the Law on Sickness and Maternity Social Insurance* each parent (but not a grandparent) has a right to use 2 non-transferable months with the higher compensatory rate. Single mothers / fathers have the right to use 4 months with the higher compensatory rate.

- ***Definitions***

The unit of analysis is the family as defined in section 2.5.2. Insured income definition is presented in section 1.1.

⁵³ According to the following law: Lietuvos Respublikos Ligos ir motinystės socialinio draudimo įstatymo 3, 5, 6, 8, 10, 15, 16, 17, 18, 181, 183, 19, 20, 21 straipsnių pakeitimo ir papildymo įstatymas. 2007 m. Gruodžio 4 d. Nr. X-1338: http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=310952

⁵⁴ Based on the following law: 2018-06-28, No. XIII-1338 „Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 6, 14, 18, 21, 22, 24 ir 27 straipsnių pakeitimo įstatymas“, 2018, No. 11433

⁵⁵ Self-employed persons: engaged in individual activities, persons engaged in individual agricultural activity, family-type guardianship institution, the owners of individuals enterprises, 'real members' of agricultural communities.

⁵⁶ Based on the following law: 'Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 2, 4, 5, 11-1, 14, 18, 21 ir 24 straipsnių pakeitimo įstatymas'. 2020-12-29, No. 28981

- ***Eligibility conditions***

The benefit is granted if a person, before the first day of the childcare leave, have no less than 12 months over the last 24 months of contribution history. The childcare benefit is paid after the end of the maternity leave or the paternity leave, however if a mother did not receive maternity leave benefit, this benefit for other eligible person can be calculated as of the birth of the child. The childcare benefit can also be paid to one of the grandparents if he/she satisfies the same contributory requirements and one of the child's parents has the right to the benefit.

Each of the parents has the right to use two non-transferable childcare months (or four months for a single parent) with higher compensatory rate. This right is not extended to grandparents. The contribution history of the last 12 months is considered when calculating childcare benefit during the non-transferable months.

In cases where a recipient of maternity leave and has given birth to more than one child or is caring for two or more children at the same time, childcare benefit for others those entitled to it may be granted from the date of the birth of the child or from the first day after the end of parental leave.

- ***Income test***

No income test applied.

- ***Benefit amount***

The amount of the childcare benefit is calculated as a percentage of the recipient's AMII (see more details in chapter 1.1) but cannot be lower than 8 BSA or higher than two country's average monthly wages. The lower limit of the childcare benefit increased from 6 BSA in 2022, to 7 BSA in 2023 and since mid-July, 2023 it is 8 BSA. Duration and the compensation rate of the childcare benefit can be chosen between two available options – until child reaches 18 or 24 months of age. Since January 1st, 2023, the compensation rate for one-and-a-half-year period benefit is 60%, and for two years period the compensation rate is 45% during the first year and 30% during the second year. The compensation rate for the two non-transferable months for each parent is 78% (see Table 2.5; rules until 2022 are presented in Table 2.6).

If one of the parents receiving childcare benefit qualifies for another childcare benefit for other child, she or he receives both benefits, but the total amount of the benefits cannot exceed 78% of the earnings on which these benefits are calculated. This is, however, not modelled (see EUROMOD note below).

Since 1st of January 2023, if a person receiving the childcare benefit has insured income during the non-transferable months, the benefit is reduced (this does not apply to single parents, i.e. their benefit is not reduced). However, other types of insured income can be received during the other childcare leave months, but the total amount of the benefit and insured income combined cannot exceed 100% of the monthly compensatory earnings of that person (based on which the childcare benefit was calculated), but not higher than 5 national average monthly salaries (since 2024). These conditions do not apply for self-employment income, i.e., the person can have self-employment income throughout the childcare leave and it will not affect the benefit amount.

Table 2.5 The compensation rate of childcare benefit, 2023- 2024 (as of 1st January)

	2023 – 2024
Duration	Optional, until child reaches 18 or 24 months of age (1.5 or 2 years)
The non-transferable months*	2+2 months for each parent (4 months for a single parent)
Compensation rate during non-transferable months, %	78%
Compensation rate during the rest of the months	60% for the 1.5-year option or 45% in 1 st year/30% in 2 nd year for the 2 years option
Benefit size multiplied with # of births	Yes, but cannot exceed 78% of the earnings on which the benefit is calculated

Notes: * For single parents, 2 additional non-transferrable months for the absent parent are paid during the last two childcare leave months, e.g., during 16-17 childcare leave months or 23-24 childcare leave months.
Source: Based on the *Law on Sickness and Maternity Social Insurance*

Table 2.6 The compensation rate of the childcare benefit, 2020-2022 (as of 1st January)

	2020-2022
Duration	Optional, until child reaches 1 or 2 years of age
Compensation rate 1 st year, %	77.58/54.31
Max. benefit duration the 1 st year, months*	12
Compensation rate 2 nd year, %	0/31.03
Max. benefit duration the 2 nd year, months	0/12
Benefit size multiplied with # of births	Yes, but cannot exceed 77.58%

Notes: * If a mother/father has received a maternity leave or paternity leave benefit, the payment duration is reduced by the time (56 days and 1 month respectively) for which the relevant benefit has been paid.
Source: Based on the *Law on Sickness and Maternity Social Insurance*

EUROMOD note:

- As information on the social insurance contributions is not available, all mothers with an own child aged 2 or below are considered eligible if they have been in work for more than six months in the current year⁵⁷ (as suggested by observed patterns in the underlying data).
- Two years of receipt for childcare benefit is modelled by default as the absolute majority of recipients choose this option (around 93% according to the latest available statistics provided on request by MoSSL).
- Alternatively, simulations of opting for different options of childcare benefit are integrated in EUROMOD through the constant \$MA_optDef.
- The recipient is always assumed to be the mother; father if there is no female partner in the household or mother is not eligible.
- In case there are several children eligible for the childcare benefit in the family, we model one parent to receive the benefit for both children.
- Non-transferable months are modelled with an assumption that the first parent (mother or father if no mother) takes those at the beginning of the childcare leave and the second parent (father) takes those at the end of the childcare leave period.
- The receipt of the childcare leave benefit with earnings (and potential benefit reduction) is not modelled due to data limitations.

⁵⁷ Note that being on maternity leave is considered as in work in the underlying data source, i.e. EU-SILC.

2.6.9 Benefit for multiple-births (bchmp_s)

- **Brief description**

The non-contributory monthly benefit paid to one of the parents due to the birth of two or more children at the same time. The benefit is paid from the birth of the children until they reach the age of 2 years.

- **Definitions**

The unit of analysis is the family as defined in section 2.5.2. Basic social allowance definition is presented in section 1.1.

- **Eligibility conditions**

The benefit is granted due to the birth of two or more children at the same time and is paid to one of the parents.

- **Income test**

No income test is applied. As this is a regular payment for children, it is included for the income test for the social assistance and child benefits.

- **Benefit amount**

The benefit level is calculated in relation to BSA and varies based on the number of children born at the same time. The benefit amount is 4 BSA if twins are born. If more than two children are born at the same time, the benefit amount increases by 4 BSA per child. So, if three triplets are born, the benefit amount is 8 BSA. No changes between 2021-2024.

2.6.10 Childcare benefit for students (bmaed_s)

- **Brief description**

The non-contributory monthly benefit is granted to one of the child's parents (adoptive parents or guardians) during the period of training or studies and 12 months after graduation, if they are not entitled to the contributory childcare benefit.⁵⁸ The benefit is paid until the child reaches the age of 2 years.

- **Definitions**

The unit of analysis is the family as defined in section 2.5.2. Basic social allowance definition is presented in section 1.1.

- **Eligibility conditions**

The benefit is granted if a person studies (studied) in full-time general education, formal vocational training or tertiary education programme, or studies (studied) in doctoral studies or medical residency and according to *the Law on Sickness and Maternity Social Insurance* is not entitled to the contributory childcare benefit. The benefit is not paid, if one of the parents is entitled to the childcare benefit for the same child according to *the Law on Sickness and Maternity Social Insurance*. To avoid double granting of the benefit for a later born / adopted / foster child, the benefit is paid for the care of the youngest child until they reach the age of 2. No changes in 2024.

⁵⁸ On the basis of *the Law of Child Benefits*

- ***Income test***

No income test is applied.

- ***Benefit amount***

The benefit of 6 BSA (330 EUR in 2024) is paid until the child reaches the age 2. If two or more children are born (adopted) the benefit's amount does not increase, but is paid until the youngest child reached the age of 2 years.

2.6.11 Social assistance benefit (bsa00_s)

- ***Brief description***

This means-tested monthly benefit is granted to families or single persons as a last-resort financial assistance. The social assistance benefit is granted for three months. The application must be re-submitted upon the benefit expiration, unless local authorities have granted the benefit for the period exceeding three months (i.e., if the composition and income of the family has not changed). BTA and BCA extensions are off, so the baseline model neither adjusts for non-take-up of the benefit nor calibrates its receipt, but the user can activate them if necessary. See section 2.4 for technical details on both extensions and their interactions.

Users can enable the necessary extensions in Country Tools/Set Default. For proper functioning, the extensions require the following inputs:

BTA: The estimated take-up rate of the benefit should be set as the value of the \$bsa_BTA_rate constant in the model. Currently, the value is set to 1, indicating no adjustment for non-take-up.

BCA: The aggregate expenditure needs to be filled out in the External Statistics table, so that the calibration rate (\$bsa_BCA_rate) is computed accordingly. Data are currently available for the years 2018-2023; given the absence of information for 2024, the calibration rate is not computed within the 2024 system, but the one computed within the 2023 system is used instead. For the modelling of reforms, the 2024 system should be used in order to allow for variation in the number of beneficiaries (hence expenditure): beneficiaries will change when the eligibility conditions change by applying the share of 2023 to the new pool of eligible units. If previous systems were used for reforms, total expenditure would remain constant irrespective of the reform applied, since the model would always stick to the existing external statistics.

- ***Definitions***

The unit of analysis is family, which is either a single person (see definitions below) or consists of partners (married or cohabiting) and their own dependent children. Dependent children are children under 18 or under 24 if in general, higher or vocational education, including periods of academic leave due to illness or pregnancy, until they reach the age of 24 and between the date of completion of the general education program and 1st of September (the beginning of the school or study year) of the same year⁵⁹. Children cannot be married, cohabiting with a partner nor parents themselves, but they can work and receive income up to 1 SSI.

Single person is a person aged 18 and above and either is not married and reside alone; or is married, but residing alone by the court's judgement; or is married with children, but residing alone, as their children are staying with their spouse by the court's judgement.

⁵⁹Based on the following Law: 'Lietuvos Respublikos pinigines socialines paramos nepasiturintiems gyventojams istatymo Nr. IX-1675 2 ir 8 straipsniu pakeitimo istatymas'. No. XIII-3375, 2020-11-05. <https://www.e-tar.lt/portal/legalAct.html?documentId=732a064025be11eb932eb1ed7f923910>

- **Eligibility conditions**

- 1) All family members or single persons are entitled to the social assistance benefit if they comply with all three requirements: The value of *family's* or person's assets does not exceed the *ratio of state established property value* (RP) (see Assets test). This requirement does not apply for the first three months.
- 2) The average income used to calculate the benefit is less than 1.1 SSI per person;
- 3) Every person over the age of 18, single person or child (adoptee) between 16 and 18 years of age meets at least one of the conditions specified below (those in *italics* can not be simulated):
 - if under 24 years of age, be in general, vocation or tertiary education, including periods of academic leave due to illness or pregnancy, until they reach the age of 24 and between the date of completion of the general education program and 1st of September (the beginning of the school or study year) of the same year;
 - be employed for at least two thirds of the full-time equivalent or earning at least two thirds of the MMS;
 - self-employed with income of at least a monthly minimum salary;
 - reached the statutory retirement age;
 - receive pensions (except the state social insurance disability pension granted to a person with the lowest disability level or 45-55% working capacity);
 - registered with the Public Employment office;
 - *officially nursing (providing assistance, care) another family member;*
 - *is undergoing treatment in an in-patient health care institution for at least a month;*
 - *is pregnant woman and less than 70 calendar days are left before a baby is due (28 or more weeks of pregnancy);*
 - is a mother or a father (a guardian or a curator) who raises at home a child under certain age and care conditions as prescribed in the same law:
 - if a family raises a child under three years old, who does not attend a pre-school educational establishment;
 - if a family raises three or more children under age of 14 and at least one of the children is under age 8 and does not attend a pre-school educational establishment or a school;
 - if a child under 8 years old does not attend a pre-school educational establishment due to medical recommendations or due to overcrowded schools;
 - *is a person from 16 and up to 18 years of age and either attends an institution of formal education; is with disability; is, registered with the Public Employment Office (i.e. unemployed) or is a pregnant woman.*
 - *one of the grandparents takes care of a child up to the age of 3, when childcare leave has been granted.*
 - *children under 16: included unconditionally.*

Means test

Assets and income tests are applied.

Assets test:

Family's or person's actual assets (AS) must be lower than the *ratio of state established property value* (RP), which is calculated in the following way: $AS \leq RP = RE+RM$, where

AS is the actual value of a family's or person's assets. AS is established by calculating the value of the following family's or person's assets:

- buildings, including those under construction;

- vehicles subject to registration;
- agricultural machinery subject to registration;
- land (including that occupied with forests and water bodies);
- livestock, poultry, animals, hives, if their total value exceeds EUR 1,160;
- stocks, bonds, bills of exchange, and other securities, shares, if their total value exceeds EUR 580;
- works of art, gems, jewellery; precious metals, when the value of a unit exceeds EUR 580;
- cash resources if their total value exceeds EUR 580, except for child maintenance payments;
- received (unpaid) loans, if their total value exceeds EUR 580 except of state loans for the students studying at the higher education institutions, loans for modernization of housing and real estate mortgages;
- money lent to other individuals (and unpaid), if their total value exceeds EUR 580;
- *state compensations for real property purchased by the State, restored savings and other restored resources.*

In order to evaluate AS, applicants for social assistance benefit must declare their assets. Then the declared number of properties is checked with the registry data.⁶⁰ If the value of the declared property is extraordinarily low, officials have a right to establish property value using *average market value*, as approved by the Commission for the Assessment of Property Subject to Registration.

RE is the “ratio of real estate value” and is calculated as:

RE =

Notional size of residence (60m² for the 1st person + 15m² for each additional family member) x *average market price of the residence* (which is approved by the Commission for the Assessment of Property Subject to Registration on 1st February 1st May, 1st August and 1st November of each year).

+

Notional size of land area per family or person x average market price of the land.

The state requires application of the following notional sizes of land per family:

- residential purpose land: in cities – 6 Ares,⁶¹ in towns and villages – 25 Ares;
- agricultural purpose land (if the plot does not exceed 1 hectare⁶²): in cities – 6 Ares, in towns and villages – 25 Ares;
- agricultural purpose land (if the plot exceeds 1 hectare): in cities – 6 Ares, in towns 25 Ares and villages –6 hectares;
- other purpose land: in cities – 6 Ares, in towns and villages –25 Ares hectares.
- if a person does not have land - the value of the notional size of the land area is based on 1 hectare of agricultural purpose land.

RM is the “ratio of value of movables”, which is calculated per family member:

- 35 SSI for the first or single person aged 18 or above;
- 25 SSI for each additional person aged 18 or above;
- 20 SSI for each person (child) under 18 years old.

⁶⁰ Based on Methodology of Asset Evaluation (*Turto vertinimo metodika*),

⁶¹ 1 Are = 100 square meters

⁶² 1 Hectare = 10000 sq. meters or 100 Ares

The assets test will not be applied for at least 3 months for persons either applying for the social assistance benefit for the first time, or 24 months after receiving the social assistance benefit⁶³. The assets test was not applied until 30th of April, 2024⁶⁴.

- ***Income test***

For the purpose of means testing, the average family or person's income (IL) is calculated as: the average income of all family members during the period of three months prior to the month when the family (single resident) acquired the right to the social assistance benefit. All income should be taken after the deduction of withholding income tax and employee social insurance contributions. Incomes defined by the same social assistance law, namely compensations for housing utilities and the social assistance benefit itself, are not taken into account for means testing.

The following incomes are included in the means-test⁶⁵ unless otherwise specified (**those in *italic* cannot be simulated**):

- income received under an employment contract or other legal relationship equivalent to an employment relationship, including per diems, subsistence allowances, food allowances and other income (except for persons under 18 years of age);
- income from the authorship contracts (royalties), income received from sports activities, artist activities;
- all types of pension benefits except the survivors pensions, the additional old-age or lost working capacity (invalidity) pension bonuses;
- dividends and interests;
- *income of an owner of an individual company, received from the taxable profit of such company;*
- *income received from the individual activity under a business certificate (except for persons under 18 years of age)*
- 70% of self-employment income (except from persons under the age of 18)⁶⁶;
- income from agricultural activities (*except of income from gardens of members of gardeners' societies, the area of land plots of which does not exceed 3 hectare*);
a) in the absence of accounting documents, average monthly income should be calculated by applying the ratios of income from agricultural activities evaluated according to the state approved notional costs; b) if there is no possibility for determining income according to these ratios, average monthly agricultural income should be calculated by applying a state approved income rate per hectare of agricultural land; and payments for agricultural activities;
- Alimony and benefits to children paid under the Law on Child Maintenance Payments
- all regular income of a social nature, i.e., state transfers, *with the exception of compensations of transport costs for the people with disabilities and compensations for donors, temporary childcare allowance* regular social benefits for children (including

⁶³Based on the following Law: 'Lietuvos Respublikos pinigines socialines paramos nepasiturintiems gyventojams įstatymas'. No. XIII-2883, 2020-05-07.

⁶⁴ Based on the following law: 'Lietuvos Respublikos pinigines socialines paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 3, 6, 7, 9, 10, 11, 15, 17, 21 ir 23 straipsnių pakeitimo įstatymo Nr. XIII-2883 11 straipsnio pakeitimo įstatymas'. No. 11866.

⁶⁵ Changes effective on the 30th June, 2009 indicated according to the following law: "Lietuvos Respublikos Piniginės socialinės paramos nepasiturinčioms šeimoms ir vieniems gyvenantiems asmenims įstatymo 15 ir 22 straipsnių pakeitimo įstatymas". 2008.06.17 Nr. X-1611: http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=323463

⁶⁶ Based on the following law: „Lietuvos Respublikos pinigines socialines paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 17 straipsnio pakeitimo įstatymas“. 2019-07-03, Nr. 10931

child benefits and all kinds of stipends) are included into the income test. Non-regular social benefits for children (e.g. birth grant) are not included into the income test;

- unemployment social insurance benefit, severance pay or compensation paid upon the termination of an employment contract or upon the dismissal of public servants, temporary jobseeker’s benefit;
- sickness, maternity, and childcare benefit and occupational rehabilitation benefits;
- compensation for property and non-pecuniary damage (including one-time compensation for lost working capacity);
- *cash donations if their total amount exceeds the amount of 1*SSI;*
- *cash received as a gift;*
- *inherited cash;*
- *cash resources received abroad or from a foreign state;*
- income from property rent and income from property sale (unless it is included into assets);
- *lottery and other cash winnings, prizes;*
- ***Income disregard***

When assessing the income, parts of income are disregarded, which depends on family composition. A part of family’s (person’s) average income from work included into income test is disregarded. As well as a part of unemployment social insurance and the temporary jobseeker’s benefit are included into income disregards. No changes in 2022-2024.

Table 2.7 Levels of income disregard based on household type, 2021-2024 (as of 1st January)

Household type	2021-2024
For persons living together without children (adoptees) or for single person	20%
For persons living together and raising one or two children (adoptees)	25%
For persons living together and raising three or more children (adoptees)	30%
For single parents, raising one or two children (adoptees)	35%
For single parents, raising three or more children (adoptees)	40%

- ***Benefit amount***

The amount of the social assistance benefit is calculated: For a single person:

- as the difference between 1.4*SSI and income for the first 6 months;
- as the difference between 1.2*SSI and income for subsequent 6 months;
- as the difference between 1.1*SSI and income after 12 months.
- For households:
 - For the first person in a family, as the difference between 1.1*SSI and income;
 - for the second person in a family, as the difference between 1.1*SSI and 90% of income;
 - for the third and a following person in a family, as the difference between 1.1*SSI and 70% of income.

The benefit amount is reduced for a single person who is able to work but not working or family having a person who is able to work but not working and receiving benefit during the long period, excluding children:

- by 20% after 12 months of payment;
- by 30% after 24 months of payment;
- by 40% after 36 months of payment;
- by 50% after 48 months of payment;

- after 60 months the benefit payment of 50% is provided in a non-monetary form.

The social assistance benefit (*in-work social assistance benefit*) can be additionally paid when a person meets all these conditions:

- a single person or one of the family members starts working and receives not less than the MMS (or minimum hourly wage proportional to hours worked);
- prior employment the person was registered with the Employment Service for at least 6 consecutive months and during this period did not work or worked less than 2/3 of the full-time equivalent, earning less than the minimum wage, or worked in the jobs provided for in the employment promotion program;
- persons living together or one person living together were recipients of social assistance benefits for at least one month during the last 3 months before employment;
- the application for granting an additional part of the social allowance upon employment is submitted no later than within 12 months of employment.

The in-work social assistance benefit is granted and paid for each month worked under an employment contract or a legal relationship equivalent to an employment relationship, but no longer than 12 months. The benefit amount decreases with time:

- for the 1st -3rd months - 100 % of the average amount of the social allowance paid during the previous 6 months before employment;
- for the 4th – 6th months – 80% of the average amount of the social allowance paid during the previous 6 months before employment;
- for the 7th to 12th months - 50% of the average amount of the social allowance paid during the previous 6 months before employment.

EUROMOD note:

The EU-SILC database does not contain information on assets value. Therefore, most of the information on the assets listed above is not available in EUROMOD. Proxy for the assets test is based on the notional size of dwelling and land compared to reported and/or imputed actual size of dwelling and land in the national SILC data. The following imputations have been made (except for 2021):

- Residential property: actual size based on the EU-SILC variables on housing characteristics (area in m²); notional size as described above (60m² for the 1st person + 15m² for each additional family member).
- Actual land property size: reported values of residential and agricultural land (for datasets before 2012) and imputed values thereafter. Imputations based on reports on owning land; 0 ha of residential land for those living in flats, values for others imputed based on information on the area of the house, etc. Agricultural land imputed based on a dummy of owning land and information on earning from own agricultural activities.
- Notional land property size: according to the notional size of residential and agricultural land per family reported above.
- Financial assets: based on the EU-SILC information on investment income and external information on the average yield of LT government bonds.

Other imputations and assumptions:

- Benefit reduction for those able to work but not working is not simulated due to data limitation and lag in time until this rule effectively will be implemented.

2.6.12 Unemployment social insurance benefit (bunct_s)

- *Brief description*

This contributory monthly benefit covers individuals previously receiving remuneration for work.

- *Definitions*

The unit of analysis is the individual.

- *Eligibility conditions*

The right the unemployment insurance benefit is granted to a person who:

- is registered with the local Public Employment Service as unemployed,
- Employment Service has not offered a suitable job or active labour market policy measures and
- either has 12 months of the unemployment insurance over the last 30 months,
- or has completed the compulsory primary military service or the alternative national defence service or has been released from the permanent compulsory initial military service during basic military training. In this case, the unemployed person must register with the Employment Service within 6 months of release from the compulsory primary military service or the alternative national defence service (in force since 2023).

- *Income test*

No income test applied.

- *Benefit amount*

The benefit amount comprises of the constant and variable components (see Table 2.8 for details). Since 2023, the unemployment benefit is started to be paid on the 8th day of unemployed status. For unemployed persons, who were dismissed from work due to the employee’s fault, the unemployment benefit begins to be paid 3 months after the registration to the Public Employment Services, but no earlier than the day of acquiring the unemployed status. If unemployed person is eligible to receive sickness, professional rehabilitation, maternity, paternity, childcare benefit before they get unemployed person status, the unemployment benefit is paid after the end of other benefit payment period.

Table 2.8 Characteristics of the unemployment social insurance benefit, 2021-2024

		2021-2024
Eligibility	Contribution period	12 months during the last 30 months
	Other conditions	Registered with the Public Employment Service as actively looking for a job
	Eligibility for self-employed	Not eligible*
Payment	Contribution base	Gross earnings, no contribution ceiling
	Constant part amount	23.27% national minimum monthly wage
	Variable part amount	% of former earnings decreasing with time: 1-3 months – 38.79% 4-6 months – 31.03% 7-9 months – 23.27%
	Floor	n/a
	Ceiling	58.18% of the national gross average wage

Duration	Standard	9 months
	Special cases	+2 months ** +up to 30 days*** + for the period of the maternity leave
Subject to	Taxes	n/a
	SIC	n/a

*Note: * Except members of general partnerships, members of small partnerships, owners of individual enterprises. ** for those who have 5 or less years left to reach the statutory pension age and are not in receipt of the early retirement pension; *** for those who, while being unemployed, became temporary unable to work due to illness or injury or who voluntarily undergo an addiction treatment in health care institution providing addiction treatment services. The payment of the unemployment benefit can be extended by this period, but not longer than 30 days.*

The insured's average monthly insured income is calculated as the average of the 30 months that have passed until the end of the previous calendar month from the day of acquiring the unemployed status. If there is no insured income in any month, it is equated to zero. When the payment of the unemployment insurance benefit has been terminated, the unemployment insurance benefit can be re-assigned to the unemployed person after 12 months from the date of the previous termination of the unemployment insurance benefit payment.

If a person receives certain benefits (the old-age pension, rent for a former athlete, allowance for the creative employee of professional performing arts institutions or sickness allowance due to an accident at work and occupational illness and occupational rehabilitation, illness, maternity, paternity or child care benefit), only part of the unemployment benefit that exceeds the amount of all mentioned benefits, pensions or allowances will be paid.

EUROMOD note:

Effectively, this benefit is only partly simulated using the information about the actual benefit receipt. Rather than simply using the observed receipt as part of the eligibility criteria, all eligibility rules are covered in full detail. Since not all required information (e.g., work history) is available, several assumptions are made, among else considering some rules automatically being fulfilled for those in receipt. This approach is chosen so that the benefit can also be modelled for currently employed people if needed (e.g. to simulate their entitlement if they become unemployed; for replacement rates calculations).

The unemployment duration (`lunmy_s`) is set equal to the maximum of the observed unemployment duration (`lunmy`) and the observed benefit receipt (`bunmy`). When modelling the unemployment benefit for those who are currently employed, the unemployment duration is set to the reported number of months in employment in the current year (`liwmy`). After that the contribution history (see the next step) is modelled. It is assumed that the unemployment spells start in the reference year.

Modelled contribution history is based on the reported number of months in employment (`liwmy`), controlling for the total number of months in work (`liwwh`).

- For those currently employed (`ils_earn` != 0 & `lunmy_s` = 0 & `bunct` = 0), this is used.
- For those currently unemployed (`lunmy_s` > 0) and in receipt (`bunct` > 0), this is set to at least the minimum qualifying period.
- For those currently unemployed (`lunmy_s` > 0) and not in receipt (`bunct` = 0), this is set to zero.

At this point, working age people who are unemployed ($lunmy_s > 0$), have sufficient contribution history, are not in education and not in receipt of early retirement old-age pension are considered eligible. It is assumed that all of them are involuntary unemployed and capable and available for work (there is a variable in the SILC data identifying if a person is available for work but only filled in for those currently unemployed).

Benefit duration ($bunmy_s$) is calculated according to the rules above, using modelled contribution history, while also controlling for the unemployment duration ($lunmy_s$). The extended duration due to sickness or maternity leave is not modelled. For currently employed, a further cap is imposed corresponding roughly to the average duration observed in administrative sources (and national SILC data).

The benefit entitlement is calculated based on previous earnings and benefit duration, subject to the lower and upper thresholds. For those currently employed, current earnings are used. For those currently unemployed and in receipt, previous earnings are used which have been imputed by reversing the unemployment social insurance benefit rules. For those currently unemployed and not in receipt, the imputed wage is used. Finally, the benefit amount is adjusted with the number of months in receipt ($bunmy_s$).

Previous earnings by default are modelled based on the imputed wage ($yivwg$), as the inverted wage ($yempv$) reflect the lower amount due to applied ceilings on benefits. To switch from the calculations based on the imputed wage to those based on the inverted wage, the constant $\$ImputedWage$ should be set to zero.

Due to data limitations, it is not possible to distinguish whether a person is partially employed as partial employment is mostly assigned by the local Municipalities. Furthermore, due to limited data it is impossible to distinguish if a person is working illegally in the shadow economy and receives the unemployment benefit. Tax compliance adjustments may be switched on to adjust simulations.

2.6.13 Long-term work benefit ($bunct01_s$)

- ***Brief description***

A contributory lump-sum benefit to paid employees in case of redundancy, when they have been employed by the same employer for at least 5 years

- ***Definitions***

The unit of analysis is the individual.

- ***Eligibility conditions***

In case of redundancy, employees must have been continuously employed by the same employer for at least 5 years to be eligible to receive the long-term work benefit. The benefits are paid to all employees who have worked under employment contracts, except for those from budgetary institutions and the Central Bank. The benefit is paid if within three months the previous employee does not sign a new contract with the previous employer.

- ***Income test***

No income test applied.

- ***Benefit amount***

For an employee who worked between 5 to 10 years, the benefit is equal to 77.58% of 1 previous salary; from 10 to under 20 years – 77.58% of 2 previous salaries–; 20 years or more - 77.58% of

3 previous salaries. I The long-term work benefit amount is calculated on the person’s average insured income over the last 12 months⁶⁷. No changes in 2021-2024.

EUROMOD note:

The following assumptions are made: the number of years worked with the same employer is proxied by the total working history assuming 3 working positions of an equal working duration (i.e. liwwh / 3). We assume that those who were made redundant (but not quit the job) are not currently employed or self-employed in the data and are eligible for unemployment benefit. Working in the budgetary institution is proxied in the following way: not working in defence /administration, education, health or social services, not a public servant.

2.6.14 Compensation for heating costs (xhcht_s)

- *Brief description*

Compensations for the excessive heating costs for a dwelling. The compensation is means-tested and depend on family income and assets.

- *Definitions*

The unit of analysis is family.

- *Eligibility conditions*

The heating compensation is granted when the part of the bill for the heating of a dwelling exceed 10% of the difference between the income of a family or a single person and 2*SSI for each family member (EUR 256 in 2022, EUR 314 in 2023, EUR 352 in 2024) or 3*SSI for single persons (EUR 384 in 2022, EUR 471 in 2023, EUR 528 in 2024). The compensation was lower in 2021 (Table 2.9).

Table 2.9 Heating compensation for persons who have declared their place of residence or rented a dwelling, 2021-2024

	2021	2022-2024
SSI amount for single person	1.5*SSI	3*SSI
SSI amount multiplied by the number of household members	1*SSI* number of household members	2*SSI*number of household members

Compensation for the heating costs is granted regardless of the method of heating (including central heating or other fuels such as firewood, coal, gas, etc.).

- *Income test*

To receive the compensation, income from the last 3 months period is assessed. Child benefits and a part of the earnings and a part of the unemployment benefit (20-40% depending on the composition of a family in the number of children) are excluded from the income test. However, when calculating income, income from movable and immovable property is included e.g., income from the rental or sale of land, housing, car and other property. The compensation granted to families and single persons if the value of family’s or person’s assets does not exceed the

⁶⁷ Based on the following law „Lietuvos Respublikos garantijų darbuotojams jų darbdaviui tapus nemokiam ir ilgalaikio darbo išmokų įstatymo Nr. XII-2604 2, 3, 5, 6, 7, 8, 10 ir 19 straipsnių pakeitimo įstatymas“. 2019-06-27, Nr. 10341

established ratio of property value (same as for the receipt of the social assistance benefit). The assets test was not applied until 30th of April 2024

- ***Benefit amount***

To calculate the amount of the compensation for the heating costs, the notional standard of the useful floor space is used:

- when the place of residence is declared (rented) by one resident - 50 m²;
- when the place of residence is declared (rented) by the family: 38 m² for the first household member; 12 m² for the second; and — 10 m² for the third and each subsequent person.

The benefit covers 100% of the part of the bill for the heating exceeding 10% of the difference between the income of a family or a single person and 2*SSI for each family member or 3*SSI for single persons, taking into account the notional standard useful floor space as indicated above.

EUROMOD note:

Modelled with assumptions on average monthly heating costs.

2.6.15 Compensation for water costs (xhcwt_s)

- ***Brief description***

Compensations for water costs include compensations for drinking and hot water costs.

- ***Definitions***

The unit of analysis is family.

- ***Eligibility conditions***

The drinking water compensation is granted when the costs for cold water and wastewater exceed 2% of personal or family income.

The hot water compensations is granted when the costs for hot water and its preparation exceed 5% of personal or family income.

- ***Income test***

To receive the compensation, income from the last 3 months period is assessed. Child benefits and a part of the earnings and a part of the unemployment benefit (20-40% depending on the composition of a family in the number of children) are excluded from the income test. The compensation granted to families and single persons if the value of family's or person's assets

does not exceed the established ratio of property value (same as for the receipt of the social assistance benefit). The assets test was not applied until 30th of April 2024

- ***Benefit amount***

For the calculation of the compensations, the notional standards for drinking water and hot water are applied.

For drinking water, it depends on the number of household members and the way hot water is prepared:

When central heating is used to prepare hot water:

- 2 m³ for the first person or a single person per month.
- 1.5 m³ for a second person per month.
- 1 m³ for a third and each subsequent person per month.

When other forms of energy or fuel, such as electricity or firewood, are used to prepare hot water:

- **33.5 m³ for the first person or a single person per month.**
- **2.5 m³ for a second person per month.**
- **1.5 m³ for a third and each subsequent person per month.**

For hot water, the notional standard is

- 1.5 m³ for the first person or a single person per month.
- 1 m³ for a second person per month.
- 0.5 m³ for a third and each cohabiting person per month

So the benefit covers 100% of the part of the expenses for drinking water exceeding 2% of family's or single person's income and for hot water exceeding 5% of family's or single person's income, taking into account the notional standard per family members are indicated above.

ERUOMOD note:

No data on cold/hot water usage and price, therefore the average cold/hot water usage in m³ per person is used.

2.7. Social insurance contributions

Social insurance contributions (*socialinio draudimo įmokos*) to State Social Insurance Fund (*Socialinio draudimo fondas, SoDra*) are compulsorily paid by all employers and employees of private and public sectors as well as main categories of self-employed people.

Contributions are flat rate with floors and ceilings. Contributions differ for employees and self-employed. Furthermore, contribution rates vary considerably among different categories of self-employed people (see below for more details). Social insurance contributions are paid for pension, health care, sickness and maternity, employment injuries, occupational diseases, and unemployment insurance. Paid contributions determine eligibility and amount of contributory benefits. All social contributions are calculated on the individual tax unit basis.

2.7.1. Employee social insurance contributions (ils_sicee)

All employees in private and public sectors must pay 19.5% of gross wages and salaries as social insurance contributions (contribution rates by insurance type are presented in Table 2.10).

Table 2.10 Employee’s social contribution rates (% of gross salary), effective on 2021-2024

<i>Employee’s social insurance contributions</i>	<i>2021</i>	<i>2022-2024</i>
1. Pension social insurance	8.72*	8.72*
2. Sickness social insurance	2.09	1.99
3. Maternity social insurance	1.71	1.81
4. Health insurance	6.98	6.98
Total	19.5	19.5

Note: *if a person participates in the second pension pillar an additional contribution of 2.4% or 3% was applied in 2021, 2.7% or 3 % in 2023 and 3% (with the state subsidy of 1.5%) in 2023-2024..

Since 2021, the ceilings of 60 AMS for the social security contributions are applied only for the employee contributions (employers pay contributions without a ceiling).⁶⁸ For the annual income amounts exceeding the AMS threshold, 0% contribution rate is applied. The ceiling does not apply for the healthcare contributions nor to the funded pension scheme. The floors are equal to the monthly minimum wage and are applied to both employees and employers’ contributions. No changes in 2024.

2.7.2. Employer social insurance contributions (ils_sicer)

Public or private sector employers pay 1.77% social insurance contributions (however, it can vary from 1.45% to 2.49% depending on the type of contract (open-ended or temporary) and if it is a budget institution, etc.) on, employees’ gross wages and salaries, which are split into four components, as indicated in Table 2.11.

Social insurance contributions are subject to floors which is equal to the MMS for those employees whose monthly salaries are below the MMS. The floors are not applicable for certain groups: if an employee works in more than one work position; if an employee receives the old-age or work incapacity pension; if an employee is under 24; if an employee is insured by the government; if an employee is on the childcare leave (in the second or third year); if an employee takes care for a family member with high disability level or with special need for permanent care.

Table 2.11 Employers’ social insurance contributions (% of gross salary), effective on 2021-2024

<i>Employer’s social insurance contributions</i>	<i>2021-2024</i>
1. Unemployment social insurance	1.31*
2. Employment injuries and occupational diseases social insurance	0.16**
3. Contributions to the guarantee fund***	0.16
4. Long-term work benefit fund****	0.16

Notes: * 2.03 % for fixed-term contracts; ** can be different for some groups (0.14%, 0.46%, 0.7% or 1.4%); ***not paid for people working in bank of Lithuania, in government institutions, for political parties, trade unions, religious communities and foreign companies; **** not paid for people working in bank of Lithuania, in government institutions.

EUROMOD note:

⁶⁸ Based on the following law: ‘Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 6, 10, 11, 12, 14, 15, 16, 19, 19-1, 21, 29, 30, 32, 36, 40 ir 41 straipsnių pakeitimo įstatymas’. Nr. XIV-123, 2020-12-23. <https://www.e-tar.lt/portal/legalAct.html?documentId=a235e98049e611eb8d9fe110e148c770>.

Social insurance contribution floors are modelled and are ON by default. It is recommended to treat simulations with caution. SIC floors should best be interpreted when run in combination with the minimum wage adjustments (yem_lt). Otherwise, this will severely over-estimate SIC receipt. The following data limitations apply to the modelling of SIC floors: we could not check if a person works in more than one position. The condition if an employee is insured by the government is proxied by an industry sector: those employed in defence, public administration, health, social work, education.

2.7.3. Credited social contributions (ils_sicct)

Credited social contributions – social insurance contributions paid by the government on behalf of certain individual groups (for all or particular types of insurance). Credited social insurance contributions can include unemployment, pension, sickness, maternity, employment injuries and occupational diseases social insurance and/or health social insurance contributions.

The contribution base for credited unemployment and pension social insurance contributions is 1 MMS. The government pays contribution at the same rates as they are set for employers and employee's part. Most importantly, such contributions are paid monthly for the following persons:

- If a mother or father (stepmother, stepfather) or guardian (curator) taking care of a child under age 3 has no taxable income, he/she is insured with the pension and for the unemployment social insurance. Only one of the parents can be insured.
- One of the non-pension age parents (stepparents) or guardian (curator) taking care after a person with disability has no taxable income, he/she is insured with the pension and the unemployment social insurance.
- Priests of accepted confessions and monks and nuns working in monasteries are compulsorily insured with the pension insurance.
- Conscripts are insured with the pension, unemployment, maternity, employment injuries and occupational diseases social insurances.
- Vocational, tertiary school students and individuals who are directed by territorial job centre for vocational training are insured with the employment injuries and occupational diseases social insurance for the training period.
- Individuals in social or psychological rehabilitation institutions who get a salary are insured with the employment injuries and occupational diseases social insurance during labour hours.
- Artists, who are of working-age and have no insured income or less than 12 MMA per calendar year are covered by the pension, sickness, and maternity insurances.
- Unemployed spouses of public servants in an international service are insured with the pension, maternity, and unemployment insurances.
- Artists not receiving income are insured with the pension, sickness and maternity insurances.
- Cadets, carrying out military service while studying at a military training institution are insured with the employment injuries and occupational diseases social insurance.
- Interns are insured during their professional practice period at the institution of enterprise are insured with the employment injuries and occupational diseases social insurance.
- Vocational training students while at the penal institution are insured with the employment injuries and occupational diseases social insurance.
- Since January 1st, 2023, athletes who are paid a state scholarship in accordance with the procedure established by *the Sports Law of the Republic of Lithuania*, which does not exceed the amount of the MMS approved by the Government, are insured with the pension, sickness and maternity social insurances at the state's expense, calculating the social insurance contributions from the MMS approved by the Government in the event that they do not have insurance income.

Contribution rates for credited unemployment and pension social insurance contributions in 2021-2024 are indicated in the Table 2.12.

Table 2.12 Credited contributions for the pension social insurance (employer’s part) and the unemployment insurance (% of gross salary), 2021-2024

	2021-2024
Contributions for pension social insurance	8.72
Sickness social insurance	1.99
Maternity social insurance	1.81
Unemployment insurance	1.31
Employment injuries and occupational diseases social insurance	0.16*

Notes: * can be different for some groups (0.14%, 0.46%, 0.7% or 1.4%)

The contributions for the credited health social insurance are flat rate and approved annually. It is calculated as 6.89% of MMS Annual amounts of health social insurance contributions per person were as follows: EUR 537.72 per year (44.81 per month) in 2021, 611.4 per year (50.95 per month) in 2022, and EUR 703.6 (58.63 per month) in 2023 and EUR 774 (64.50 per month) in 2024⁶⁹.

Groups of persons who are insured for compulsory *health insurance* by the state:

1. Persons who receive any kind of pensions or assistance benefits/ compensations;
2. Officially unemployed persons (those unemployed who are registered with the local Labour Exchange office and are willing to take up a job and able to work);
3. Unemployed persons of the working age who have compulsory contribution history for the state social old-age pension;
4. Women on maternity leave and unemployed pregnant women 70 days before the childbirth and 56 days after the childbirth;
5. One of (foster) parents looking for a child up to 8 years old and one of (foster) parents looking for two or more children;
6. Persons up to 18 years old;
7. Full-time students and pupils of Lithuanian secondary, vocational schools, colleges, universities and those who permanently live in Lithuania and study full-time in the EU high schools;
8. Persons who receive the social assistance benefits;
9. One of (foster) parents or guardians who nurse at home a person with or a person who requires permanent nursing;
10. Persons with disability;
11. Persons infected with communicable diseases that are dangerous for society and included into a special list;
12. Participants of the resistance;
13. Persons who helped to liquidate the outcomes of the Chernobyl accident;
14. Ex-prisoners of the ghetto and fascist’s prisons;
15. Priests, nuns and monks of the traditional religious communities and religious formation students;
16. Persons who participated in the Afghanistan war;
17. Unaccompanied underage foreign citizens;

⁶⁹ Source: “Lietuvos respublikos 2012 metų valstybės biudžeto ir savivaldybių biudžetų finansinių rodiklių patvirtinimo įstatymas“ 2011 m. gruodžio 20 d. Nr. XI-1823 and relevant amendments. “Lietuvos Respublikos 2014 metų valstybės biudžeto ir savivaldybių biudžetų finansinių rodiklių patvirtinimo įstatymas” 2013 m. gruodžio 12 d. Nr. XII-659 and relevant amendments.

18. Foreign citizens who are provided with additional and temporary shelter in Lithuania;
19. Unemployed spouse of an acting President of Lithuania who has no insured income;
20. t Persons in traineeships as defined by the Activity law;
21. Displaced individuals;
22. Persons receiving any types of pensions under international agreements and when this is defined in the agreements;
23. Arrestees and convicts serving sentences of arrest, fixed-term imprisonment and life imprisonment;
24. Foreigners who have been granted temporary protection in Lithuania (under certain additional conditions).

Those who choose to participate in the 2nd pension pillar, additional contributions are also made with state subsidies from the state budget (3%, with the state subsidy of 1.5%).

EUROMOD note:

Pension and unemployment social insurance contributions are simulated in EUROMOD only for mothers or fathers (stepmothers, stepfathers) or guardians (curators) with no taxable income taking care of a child under age 3 with the following assumptions:

- The recipient of this contribution is the parent, who does not have taxable income. If neither parent has income, then the recipient is the mother.
- A person should have no taxable income and should live in a family tax unit with a child under age 3.

Credited health social insurance contributions are simulated in EUROMOD for groups 1, 2, 4-8 and 10, which make up the majority of eligible persons. Compulsory health insurance contributions are not simulated for other groups due to the lack of information on their status.

2.7.4. Self-employed social contributions (ils_sicse)

Self-employed persons, with the exception of persons engaged in individual activities under business certificates, have to pay social insurance contributions. The total rate of the social insurance contributions depends on the Table 2.13. below show total social insurance contributions rates for self-employed, which were effective on 1st January 2021-2024.

Table 2.13 Social insurance contribution rates (%) and bases for different groups of self-employed, 2022-2024*

<i>Group of self-employed</i>	<i>SIC contribution base</i>	<i>SIC types</i>	<i>SIC rate</i>
Persons engaged in individual activities	90% of income	Pension, sickness, maternity	12.52 (8.72, 1.99, 1.81)
Persons carrying out activities under a business certificate	MMS	Pension	8.72
Family-type guardianship institution	Depends on the number of members	Pension, sickness, maternity	12.52 (8.72, 1.99, 1.81)
Members of general partnerships/members of small partnerships/owners of individual enterprises	50% of the amount of funds collected for personal needs	Pension, sickness, maternity, unemployment	13.83 (8.72, 1.99, 1.81, 1.31)
Persons engaged in individual agricultural activities, when the economic size of holding less than or equal to 2**	n.a.	n.a.	n.a.

Persons engaged in individual agricultural activities, when the economic size of holding is greater than 2 and less than 4 + VAT payers**	n.a.	n.a.	n.a.
Persons engaged in individual agricultural activities, when the economic size of holding is greater than 4	90% of income	Pension, sickness, maternity	12.52 (8.72, 1.99, 1.81)

Note: SIC contributions are subject to the ceilings of 43 AMS. * There were slight differences in the separate social insurance contribution rates in 2021 (for sickness and maternity insurance), however the total SIC was the same. ** These groups nevertheless pay health contributions (see below).

Source: SODRA, <https://www.sodra.lt/lt/situacijos/imoku-tarifai/imoku-tarifai-savarankiskai-dirbantiems?lang=en>

The social insurance contributions for self-employed are subject to the ceilings which is equal to 43 AMS. If self-employed participate in the second pillar funded pension scheme, they additionally pay 3% of their taxable base, plus receive the state subsidy of 1.5% of AMS.

Since January 1st, 2021, self-employed persons (except for family-type guardianship institutions and receiving income from copyright or income from sports or performance) may not pay social security and health insurance contributions (that period is not accounted for the contributory history) if they: 1) receive social insurance old-age pension or lost working capacity (disability) pension; 2) receive state social assistance pension or compensation (except orphan pensions); 3) receive social insurance old-age, disability, lost capacity pension from another country, 4) are in prison or mental health care institution; or 5) have reached the statutory retirement age.

Social insurance contributions may be not paid for the first year of the activity if it is the first time that a person works as self-employed or if at least 10 years have passed since the last day of their individual activity.

As of January 1st, 2021, self-employed persons who pay social security contributions for themselves, the payment of interest on arrears of social security contributions may be deferred for up to one year if their total indebtedness to the Fund is between 125-1500 EUR. If the total indebtedness to the Fund is below 125 EUR, the payment of arrears of interest on late payment of social security contributions cannot be postponed.

As of January 1st, 2021, persons engaged in *individual activities under business certificates* for a period shorter than 3 months must pay social security contributions in advance for the entire period of validity. Persons who have acquired business certificates for more 3 months or more must pay social insurance contributions once a quarter.

No major changes in 2022-2024.

EUROMOD note:

SIC “holidays” are modelled for those with the total working history not exceeding 12 months in the data, i.e., only those with $liwwh > 12$ are eligible for paying social insurance contributions.

Compulsory health insurance contributions for the self-employed:

The standard health contribution rate of 6.98% is applied on 90% of annual taxable income for people engaged in individual activities. However, the compulsory minimum monthly contribution is 6.98% of the MMS. If annual income is higher than the 12*MMS, the self-employed have to

pay the health contribution difference when declaring their annual income. For some groups of the self-employed the health contribution rate or contribution base is different (Table 2.14).

Table 2.14 Health insurance contribution rates (%) and bases for different groups of self-employed, 2021-2024

<i>Group of self-employed</i>	<i>Contribution base</i>	<i>HIC rate</i>
	Monthly MMS	6.98
Persons engaged in individual activities	Yearly – 90% of income (but not less than 12*MMS)	
Persons carrying out activities under a business certificate	MMS	6.98
Family-type guardianship institution	MMS	6.98
Members of general partnerships/members of small partnerships/owners of individual enterprises	50% of the amount of funds collected for personal needs	6.98
Persons engaged in individual agricultural activities, when the economic size of holding less than or equal to 2	MMS	2.33
Persons engaged in individual agricultural activities, when the economic size of holding is greater than 2 and less than 4 + VAT payers	MMS	6.98
Persons engaged in individual agricultural activities, when the economic size of holding is greater than 4	MMS	6.98

Source: “LR valstybės biudžeto ir savivaldybių biudžetų finansinių rodiklių patvirtinimo įstatymas” and Lietuvos Respublikos Sveikatos draudimo įstatymas” and their relevant versions.

EUROMOD note:

Social insurance and health contributions paid by some groups of self-employed are too specific and cannot be identified in the underlying data to be simulated in EUROMOD.

2.7.5. Contributions to the funded pension scheme (tscepi_s, tscsepi_s)

Every working person below 40 is automatically included to the 2nd pillar funded pension scheme with the possibility to opt out. If opted out, the automatic inclusion is nevertheless repeated every 3 years until person reaches 40 years of age. Older workers can participate if they wish so. Once participating in the scheme, one cannot terminate the contract, except important circumstances. The payment of the contributions can be stopped only temporary for the total of 12 months thorough the whole contributory period. The contributions since 2023 are equal to 3% of the gross wage and the state contributes another 1.5% of the AMS. In 2021-2022 individuals could chose to pay lower contribution rates (Table 2.15). Those who are on the childcare leave, do no pay the contributions to the fund, but the state continues to contribute 1.5% of the AMS until child reaches the age of 3.

Table 2.15 2nd pillar contribution rates to privately managed pension funds and state subsidies (%), 2021-2024

Year	Rate and state subsidy (in brackets)
2021	2.4 (0.9) or 3 (1.5)
2022	2.7 (1.2) or 3 (1.5)
2023 - 2024	3 (1.5)

Note: state subsidy is capped at 1.5% of the AMS.

EUROMOD note:

Based on the external statistics from State Social Insurance Fund (Sodra) have shown, that participation rate among working age persons is relatively high, however varies differently between the age groups. We assume different participation rates with different contributions to the 2nd pillar for different age groups up to 2022 (see model). Different participation rates were randomly distributed to each working age employed or self-employed person. Since 2023 the contribution rate for the 2nd pillar is 3% for all. It is important to note that those, receiving childcare benefits or covered by the state, are not simulated in the model. Extra contributions to the funded pension funds are not modelled.

2.7.6. Compulsory health insurance contributions for those not otherwise insured (thl_s)

Persons who do not receive any taxable income and who are not otherwise insured for health social insurance (see Section 2.7.3 for details on credited health insurance contributions), pay a compulsory health insurance contribution of 6.98% of the MMS per month. No changes in 2021-2024.

2.8. Direct taxes

2.8.1 Personal income tax (tin_s)

- *Tax unit*

Personal Income Tax (*asmens pajamų mokestis*): Personal income tax (PIT) is applied on individual's taxable income in Lithuania.

- *Tax base*

Tax base is derived from declared income by deducting the following components:

- non-taxable income (all state social assistance and some social insurance benefits e.g., pensions, disability benefits, etc.),
- income received from activities conducted under a business certificate,
- allowable deductions related to income from individual activities,
- tax credit for individual incomes,
- the acquisition price of property and expenses related to it,
- tax allowances
- deductible expenses incurred by a resident (only when calculating taxable income of fiscal year).

No deductions can be made to the income from distributed profit (dividends).

- *Exemptions*

We define exemptions as “income components (that) are part of pre-tax income, but are not included in the concept of taxable income (e.g. child benefits in most countries)”.

The list of tax-exempt incomes includes more than 50 categories (most importantly, state social assistance or social insurance benefits, paid from state and municipal budgets or *Social Insurance Fund*, except sickness, maternity, paternity, childcare and long-term unemployment benefits) that are not subject to personal income taxation.

A number of other non-taxable income include charity, scholarships, interest from deposits, loans, compensations, lottery winnings, prizes of sports competitions, pension annuities received from

life insurance companies, inherited income, alimonies, proceeds from the sale of agricultural produce, which is produced, as well as produced and processed on the land owned and some other types of incomes.

- ***Tax allowances***

Tax allowances are defined as amounts subtracted from pre-tax income.

The most significant tax allowance is the basic allowance applied to employment-related income, consisting of:

- salary, bonuses and premiums (monthly, quarterly, annual),
- sickness allowance for the first two days of the illness (paid by the employer),
- compensation for unused vacation,
- payments for overtime work, working on holidays and weekends, at night, or for the idle time,
- holiday payments,
- per diem if exceeds the statutory rate,
- other additional earnings paid directly by an employer to an employee for the work performed.

Sickness, maternity, paternity, childcare benefits and long-term work benefits are also included into the employment-related income (hence, basic allowance is also subtracted), but are taxed at a lower rate.

The rule for calculation of the basic allowance for 2021

The monthly basic allowance is 400 EUR per month if the resident's monthly employment-related income does not exceed 642 EUR per month. If the resident's income is higher, the basic allowance is calculated using the following formula:

$$\text{The monthly basic allowance} = 400 - 0.18x (\text{monthly employment-related income} - 642)$$

The annual basic allowance is 7704 EUR if the resident's annual income does not exceed 4800 EUR. If the resident's income is higher, the basic allowance is calculated using the following formula:

$$\text{The annual basic allowance} = 4800 - 0.18x (\text{resident's annual income} - 7704)$$

For the residents with 0-25% of working ability level, those who have reached retirement age and have a high level of special needs, or for the residents who have a severe level of disability, the basic allowance of 645 EUR is applied.

For the residents with 30-55% of working ability level, for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the basic allowance of 600 EUR is applied.

The rule for calculation of the basic allowance 2022-2024

The general formula for calculating the monthly basic allowance for residents without disability is

$$\begin{aligned}
 & \text{basic allowance} \\
 & = \begin{cases} \text{basic allowance}_0, & \text{if } \text{income} < MS \\ \text{basic allowance}_0 - \text{coef} \cdot (\text{income} - MS), & \text{if } MS < \text{income} < \text{threshold} \\ 400 - 0.18 \cdot (\text{income} - 642), & \text{if } \text{income} > \text{threshold} \end{cases}
 \end{aligned}$$

where *basic allowance*₀ is the initial level of basic allowance for a full-time working resident without disability, *coef* is a coefficient, *income* is the monthly employment income of the resident and *MS* is the monthly minimum salary (see Table 1.5 for minimum salary and Table 2.16 for other values in the latest years). The basic allowance cannot fall below 0 and cannot exceed income.

The monthly basic allowance is calculated each month, but then is recalculated at the end of the year using the yearly formula. In this case, the *basic allowance*₀, *MW*, 400, and *threshold* are multiplied by 12, while income is the total taxable yearly income (not just employment income).

For the residents with 30-55% of working ability level, for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the basic allowance is higher and does not change with income (see Table 2.16).

For the residents with 0-25% of working ability level, those who have reached retirement age and have a high level of special needs, or for the residents who have a severe level of disability, the basic allowance is the highest of the three and does not change with income (see Table 2.16).

The rules applied for calculation of the basic allowance for 2022 1st of January

The monthly basic allowance is 460 EUR per month if the resident’s monthly income does not exceed 730 EUR per month. If the resident’s income is higher, the basic allowance is calculated using the following formula if monthly employment income:

- 1) is between 730 EUR and between 1678 EUR:

$$\text{The monthly basic allowance} = 460 - 0.26 \times (\text{monthly employment income} - 730)$$

$$\text{The annual basic allowance} = 5520 - 0.26 \times (\text{resident's annual income} - 8760)$$

- 2) exceeds 1678 EUR:

$$\text{The monthly basic allowance} = 400 - 0.18 \times (\text{monthly employment-related income} - 642)$$

The annual basic allowance is 7704 EUR if the resident’s annual income does not exceed 4800 EUR. If the resident’s income is higher, the basic allowance is calculated using the following formula:

$$\text{The annual basic allowance} = 4800 - 0.18 \times (\text{resident's annual income} - 7704)$$

For the residents with 0-25% of working ability level, those who have reached retirement age and have a high level of special needs, or for the residents who have a severe level of disability, the basic allowance of 740 EUR is applied.

For the residents with 30-55% of working ability level, for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the basic allowance of 690 EUR is applied.

The rules applied for calculation of the basic allowance for 2022 1st of June (but applicable for the whole year)

The monthly basic allowance is 540 EUR per month if the resident's monthly income does not exceed 730 EUR per month. If the resident's income is higher, the basic allowance is calculated using the following formula if employment income:

- 1) is between 730 EUR and between 1704 EUR:

$$\text{The monthly basic allowance} = 540 - 0.34 \times (\text{monthly employment income} - 730)$$

$$\text{The annual basic allowance} = 6480 - 0.34 \times (\text{resident's annual income} - 8760)$$

- 2) exceeds 1704 EUR:

$$\text{The monthly basic allowance} = 400 - 0.18 \times (\text{monthly employment-related income} - 642)$$

The annual basic allowance is 7704 EUR if the resident's annual income does not exceed 4800 EUR. If the resident's income is higher, the basic allowance is calculated using the following formula:

$$\text{The annual basic allowance} = 4800 - 0.18 \times (\text{resident's annual income} - 7704)$$

For the residents with 0-25% of working ability level, those who have reached retirement age and have a high level of special needs, or for the residents who have a severe level of disability, the basic allowance of 870 EUR is applied.

For the residents with 30-55% of working ability level, for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the basic allowance of 810 EUR is applied.

The rules applied for calculation of the basic allowance for 2023

The monthly basic allowance is 625 EUR per month if the resident's monthly income does not exceed 840 EUR per month. If the resident's income is higher, the basic allowance is calculated using the following formula if employment income:

- 1) is between 840 EUR and between 1926 EUR:

$$\text{The monthly basic allowance} = 625 - 0.42 \times (\text{monthly employment income} - 840)$$

$$\text{The annual basic allowance} = 7500 - 0.42 \times (\text{resident's annual income} - 10080)$$

- 2) exceeds 1926 EUR:

$$\text{The monthly basic allowance} = 400 - 0.18 \times (\text{monthly employment-related income} - 642)$$

The annual basic allowance is 7704 EUR if the resident's annual income does not exceed 4800 EUR. If the resident's income is higher, the basic allowance is calculated using the following formula:

The annual basic allowance = 4800 – 0.18 x (resident’s annual income – 7704)

For the residents with 0-25% of working ability level, those who have reached retirement age and have a high level of special needs, or for the residents who have a severe level of disability, the basic allowance of 1005 EUR is applied.

For the residents with 30-55% of working ability level, for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the basic allowance of 935 EUR is applied.

The rules applied for calculation of the basic allowance for 2024

1. The monthly basic allowance is 747 EUR per month (8964 per year) if the resident’s monthly income **does not exceed 924 EUR (MMS) per month** (11088 EUR per year).
2. If the resident’s monthly income is **between 924 EUR** (11088 EUR per year) **and 2167 EUR** (26004 EUR per year), the basic allowance is calculated using the following formula:

$$\text{The monthly basic allowance} = 747 - 0.5 \times (\text{monthly employment income} - 924)$$

$$\text{The annual basic allowance} = 8964 - 0.5 \times (\text{resident’s annual income} - 11088)$$

2. If the resident’s monthly income **exceeds 2167 EUR** (26004 EUR per year), the allowance is calculated using the following formula:

$$\text{The monthly basic allowance} = 400 - 0.18 \times (\text{monthly employment-related income} - 642)$$

$$\text{The annual basic allowance} = 4800 - 0.18 \times (\text{resident’s annual income} - 7704)$$

The basic allowance decreases with income and is not applied when monthly earnings reach 2864.22 EUR (yearly – 34370.67 EUR) threshold.

3. For the residents with 0-25% of working ability level, and for those who have reached the retirement age and have a high level of special needs, and for the residents who have a severe disability, the monthly basic allowance is 1 127 EUR.
4. For the residents with 30-55% of working ability level, and for those who have reached retirement age and have a medium or low level of special needs, or for the residents, who have a medium or mild level of disability, the monthly basic allowance is 1 057 EUR.

Table 2.16 Personal income basic allowance (EUR per month), as of June 30, 2021-2024

Allowances	2021	2022	2023	2024
Basic allowance (highest applicable)				
- General (<i>basic allowance</i> ₀)	400	540	625	747
- For the people with 0-25% work capacity	645	870	1005	1127
- For the people with 30-55% work capacity	600	810	935	1057
<i>coef</i>		0.26	0.42	0.5
<i>threshold</i>		1704	1926	2167

Tax credit for self-employed income in 2021-2024:

- when annual self-employment income is below or equal to 20 000 EUR, the tax credit is calculated using the following formula:

$$\text{Tax credit} = \text{annual self-employment income} * 0.1.$$

- when annual self-employment income is above 20 000 EUR, the tax credit is calculated using the following formula:

$$\text{Tax credit} = \text{annual self-employment income} * (0.1 - 2/300\,000 * (\text{annual self-employment income} - 20\,000))$$

- **Tax schedule**

Employment income and several types of non-employment income⁷⁰ are taxed at 20% if this type of income does not exceed 60 AMS (average monthly salary) and 32% thereafter. Taxable benefits (sickness, maternity, paternity, childcare and long-term work), dividends, income from individual activities (minus tax credit) and some other types of income are taxed by 15% (see Table 2.17). On income derived from activities conducted under a business certificate, a fixed amount set by municipal councils is paid. Other income may be taxed at various tariffs ranging 5-20%.

Table 2.17 Personal income tax rates and thresholds, 2021-2024

<i>Income type</i>	<i>Rate</i>	<i>Threshold</i>
Employment-related income	20%	<60 AMS per year
	32%	>= 60 AMS per year
Taxable benefits, dividends, income from self-employment (net of tax credit)	15%	No threshold

Source: based on “Lietuvos Respublikos gyventojų pajamų mokesčio įstatymas”

- **Deductible expenses**

The following expenses incurred by a resident of Lithuania during the tax period may be deducted from his/her income:

1. Life insurance contributions paid for own benefit or for the benefit of a spouse or minor children (adopted children) under 18 years of age or for children with disability (adopted children) under 18 and older who are considered in need for permanent care (with severe disability) under life insurance contracts, which provide an insurance benefit not only upon the occurrence of an insurance event, but also upon the expiry of the insurance contract.
2. Voluntary pension contributions to pension funds paid for own benefit or for the benefit of a spouse or children (adopted children) with disability or who are considered in need for permanent care under 18 and older.
 - 2.1 Voluntary pension contributions paid to pension funds operating in the EEA and OECD members to own behalf, when contributions are larger than 3% of his-her taxable base for social insurance contributions.
3. Fees for vocational training when qualification or specific competence is obtained upon graduation and for studies leading to a higher education qualification). If fees for vocational training or studies are made with borrowed funds (a loan is taken out from a credit institution for that purpose), the repaid amount of the loan during the tax period may be deducted from income. If a student is not a payer of the income tax or has no possibility to

⁷⁰ Gyventojų pajamų mokesčio (GPM) tarifai, taikomi 2019 m. ir vėlesniais metais. URL: <https://www.vmi.lt/cms/documents/10174/8274962/KD-8860+tarifai+nuo+2019+met%C5%B3/f4d12f92-cb8c-4c5a-bd59-f9317c9507d9>

deduct fees for studies, those expenses may be deducted from the incomes of his/her parents (adoptive parents), guardians and (or) a spouse.

The total amount of the deducted expenses cannot exceed 25% of the total tax base after deducting tax allowances. The total amount of the expenses mentioned in parts 1, 2 and 2.1 cannot be higher than 1500 EUR

Expenses are deducted from income when calculating the final income tax liability for the tax period when submitting the annual income tax declaration.

- ***Withholding tax and final tax liability***

Almost on all income sources (except self-employed, farmers' and income from property sale and so called "other" incomes) income tax is already withheld at the time of payment. Self-employment income and farmers' income are subject to final tax, which is calculated when submitting the annual tax declaration.

Generally, compared to the withheld income tax, the final income tax takes into account several additional aspects:

1. Income from self-employment;
2. Income from property sale or another movable asset;
3. Other received incomes
4. The basic annual allowance if a person used not all annual amount (i.e. if a person worked not 12, but less months; if individual receives only incomes from authorship contracts; if an individual had multiple jobs, etc.).
5. Deductible expenses.

EUROMOD note:

Since it is not possible to distinguish between different levels of working capacity in the data, all self-reported people with disabilities are assumed to have 0-25% working capacity.

Among deductible expenses only voluntary pension contributions could be simulated given the data availability.

The fee for the business certificate is not simulated due to the data constraints in EU-SILC. Taxes on the sale of wealth and various type of other income are not modelled.

2.8.2 Consumption taxes

Two types of consumption taxes are simulated in EUROMOD: VAT and excises.

Simulated consumption tax liabilities paid by households depend on the tax rules (e.g. the VAT rate) and on the tax base (consumption expenditures or quantities). The expenditures matched in the EUROMOD input files based on SILC are reported directly by households in the HBS surveys at purchasing prices. Therefore, they already include the consumption taxes paid.

- i. VAT (il_tva variable in EUROMOD) is the value-added tax. The model also simulates at high disaggregation level the VAT liabilities paid for each consumption category (output variables are tva01111, tva01112, and so on and so forth, corresponding to COICOP codes 01111 and 01112, etc.)

- ii. Excises (il_tx variable in EUROMOD) are additional duties paid over consumption and can be classified in two groups: ad-valorem excises (il_t xv) that depend on producer prices, and of specific or ad-quantum excises (il_t xa) that depend on consumed quantities.

Since consumption data from HBS refers to expenditures (price times quantity), for the simulation of specific excises information on consumption prices are needed.

Further information on methodology and specific calculations and the independence of these consumption taxes is common across countries (this is why they are placed in an add-on and not in the policy spine of each country) and can be found in Akoğuz et al (2020).⁷¹

2.8.2.1. VAT (il_t va)

VAT embedded in the expenditure consumption reported by households is extracted by applying the VAT rate of the policy system year. Table 2.18 contains the rate structure for the latest four years. Although the rates did not change, some goods and services were moved from one rate to another (see main policy changes).

Table 2.18 VAT rates [2021-2024]

Products and services	2021	2022	2023	2024
Standard	21%	21%	21%	21%
Reduced District heating, books, (largely public) transportation, hotel accommodation	9%	9%	9%	9%
Super reduced Pharmaceuticals (except non-prescription non-compensated), disabled technical aids, newspapers	5%	5%	5%	5%
Zero or exempt Financial and insurance services, health, education, social protection, and sports services when provided by official providers and non-profit institutions, especially if provided to its own members.	0%	0%	0%	0%

2.8.2.2. Ad-valorem excises (il_t xv)

Ad-valorem excises are applied to cigarettes.

Table 2.19 Ad-valorem excise rates [2021-2024]

Products	2021	2022	2023	2024
Cigarettes	25%	25%	25%	25%

2.8.2.3. Specific excises (il_t xa)

Specific excises apply to energy , alcohol and tobacco. Both tax parameters and consumer prices are required to allow the model to estimate the implicit quantities behind the reported household consumption expenditure amounts. The main specific excise taxes are in the table below.

⁷¹ Akoğuz, Elif Cansu, Bart Capéau, André Decoster, Liebrecht De Sadeleer, Duygu Güner, Kostas Manios, Alari Paulus, and Toon Vanheukelom. A new indirect tax tool for EUROMOD: final report. Technical Report, [https://euromod-web.jrc.ec.europa.eu/sites/default/files/2021-03/A% 20new% 20indirect% 20tax% 20tool% 20for% 20EUROMOD% 20Final% 20Report.pdf](https://euromod-web.jrc.ec.europa.eu/sites/default/files/2021-03/A%20new%20indirect%20tax%20tool%20for%20EUROMOD%20Final%20Report.pdf), 2020.

Table 2.20 Main specific (ad-quantum) excise rates

Products	2021	2022	2023	2024
Ethyl alcohol (per 100 l of pure alcohol)	2025	2163	2310	2467
Wine, > 8,5% vo. (EUR per 100 l)				219
Wine, < 8,5% vo. (EUR per 100 l)				109
Beer (EUR per 100 l)	7.11	7.82	8.6	9.46
Cigarettes (EUR per 1000 pieces)	69.4	74.3	79.6	85.3
Cigars (EUR per kg)	55	66	79	95
Other tobacco (Fine cut, EUR per kg)	90	97	104,6	112,8
Electricity (EUR per MWh)	1,01	1,01	1,01	1,01
Natural Gas-Heating (EUR per gigajoule)	0,3	0,3	0,3	0,3
Liquefied hydrocarbons (EUR per 1000 kg)	0	0	0	304,1
Petrol-Leaded (EUR per 1000 L)	579,24	579,24	579,24	579,24
Petrol-Unleaded (EUR per 1000 L)	466	466	466	466

Table 2.21 Prices of main excise products

Prices	2021	2022	2023	2024 ^a
Ethyl alcohol (EUR per 1 l of spirits)	39,3	43,0	46,9	49,0
Wine (EUR per 1 l)	7,0	7,8	8,3	8,7

Sparkling wine (EUR per 1 l)	6,3	7,3	7,8	8,2
Beer (EUR per 1 l)	2,1	2,3	2,6	2,8
Cigarettes (EUR per 1000 pieces)	194,3	205,8	209,6	221,9
Cigars (EUR per 1000 pieces)	252,7	264,1	284,9	314,0
Other tobacco (Fine cut, EUR per kg)	219,8	245,2	241,3	231,3
Electricity (per MWh)	144,1	212,3	264,4	211,3
Natural Gas-Heating (EUR per gigajoule)	9,6	26,0	45,9	38,2
Liquefied hydrocarbons (propane - EUR per 1000 kg)	1102,4	1487,6	1113,3	1338,4
Gas Oil- Heating (EUR per 1000 l)	605,2	1177,5	1081,8	1029,4
Coal and Coke - Heating (EUR per gigajoule)	12,2	23,2	27,4	23,0
Petrol-Unleaded (EUR per 1000 l)	1280,0	1710,0	1520,0	1509,3
Gas Oil- Propellant (EUR per 1000 l)	1190,0	1750,0	1500,0	1546,0

Note: n: nowcasted

Historical consumer prices are estimated using data on prices of the goods or their close substitutes and the Harmonised Index of Consumer Prices (HICP) or the Consumer Price Index (CPI).

Consumer prices of goods subject to excise duties are nowcasted (following Akoğuz et al (2020)) similarly to what the model does to update incomes from SILC. The latest available data comes from the following sources:

- *Prices per product, usually from last year, but for instance, fuel prices have only 15 days delay.*
- *Inflation: Harmonised Index of Consumer Prices (HICP, Eurostat) at COICOP 5 digits, usually for the first quarter for beta release and up to third quarter 3 for final release.*
- *Inflation quarter-on-quarter forecasts (DG ECFIN, confidential) by HICP main groups (Unprocessed food, Processed food including alcohol and tobacco, Non-energy*

industrial goods, Energy, Services - overall index excluding goods) of quarters 2, 3 and 4, as needed for each release.

- **EUROMOD modelling**

Consumption taxes (tco_cc policy) require extended EUROMOD input data (with imputed income shares of consumption expenditures at the household level) and an add-on to run. The policy is set to off in the baseline. To activate it, the CT_xbase add-on must be run, and the extended EM input files (see Section 3 for more information on the methodology and features behind these extended input files) should be selected (as defined in the database configuration of each country). The other add-ons (CT_*) are designed for reform simulations and assume different behavioural responses: i) constant quantities (CT_XCQ), ii) constant income shares (CT_XCIS), and iii) constant expenditure shares (CT_XCES). These reform-scenario add-ons require the auxiliary output files are generated by running the first baseline simulation (as either the quantities or expenditures and savings from the baseline are kept constants and enter as inputs in the simulated reform scenarios).

2.9. Extraordinary measures in Lithuania

Due to the coronavirus (Covid-19), a number discretionary tax and benefit measures were implemented in Lithuania in order to cope with the negative socio-economic impact of job and income loss due to the pandemic. It includes newly introduced temporary benefits and existing benefit changes, wage compensations and other measures that are outside the scope of EUROMOD. Please refer to the earlier versions of the Lithuanian country report for more details.

3. DATA

3.1. General description

An overview of the established combinations of EUROMOD LT datasets and policy years is given in **Error! Reference source not found.**. Our focus is on the EUROMOD LT-data 2022. The descriptions of the EUROMOD LT-data could be found in the preceding EUROMOD Lithuania country reports.

Table 3.1 EUROMOD LT 2021-2024: data and policy years

	2021	2022	2023	2024
LT-data 2010	n/a	n/a	n/a	n/a
LT-data 2012	n/a	n/a	n/a	n/a
LT-data 2014	n/a	n/a	n/a	n/a
LT-data 2015	n/a	n/a	n/a	n/a
LT-data 2016	n/a	n/a	n/a	n/a
LT-data 2017	n/a	n/a	n/a	n/a
LT-data 2018	x	x	x	x
LT-data 2019	x	x	x	x
LT-data 2020	x	x	x	x
LT-data 2021	x	x	x	x
LT-data 2022	best	best	best	best

EUROMOD LT- data 2022 is mainly derived from the EU-SILC EMSD (thereafter also referred to as EMSD or EU-SILC data). In addition, the Lithuanian (or National) SILC survey (i.e., *Pajamų ir gyvenimo sąlygų tyrimas*) is used to include a few other variables and inform imputations. We describe both datasets, as well as EUROMOD LT-data 2022, in more detail.

The EU-SILC EMSD survey has a 4-year rotational panel survey design. The data is collected using a face-to-face interviewing of all respondents aged 16 and over. In the Lithuanian part of the EU-SILC survey, additional information on income and taxes paid is obtained from a few administrative sources, such as the State Tax Inspectorate and the State Social Insurance Fund Board. The National SILC survey is the underlying micro-dataset on Lithuania for the EU-SILC. It contains additional information, which is otherwise excluded in the EMSD version (e.g., on national benefits). This information is highly useful for enlarging the scope of EUROMOD Lithuanian policy simulations⁷². As a result, EUROMOD LT-data 2022 is constructed using both the EU-SILC EMSD and the National Lithuanian SILC information. Table 3.2 provides a short description of the database.

Table 3.2 EUROMOD LT database 2022 short description

	Description
EUROMOD database	LT_2022_c1
Original name	<i>EU-SILC – Community Statistics on Income and Living Conditions (Anonymised User Database EMSD) + merged variables from “Pajamų ir gyvenimo sąlygų tyrimas”</i>
Provider	EUROSTAT (EU-SILC); Statistics Lithuania (<i>Pajamų ir gyvenimo sąlygų tyrimas</i>)
Year of collection	2022
Period of collection	January-April
Income reference period	2021

⁷² The list of variables which are merged into the EUROMOD LT-data from the National SILC is provided in **Error! Reference source not found.**

Sampling	A stratified sampling design was used. The entire Lithuanian territory was divided into 25 non-overlapping groups –strata. The population of the five largest cities of Lithuania, towns of each county and rural areas of each county was divided into separate strata. The size of the sample of households in every stratum is proportional to the number of residents aged 16 and older in them. From every stratum, a household sample with probabilities proportional to the size of the household was selected
Unit of assessment	Household and individual
Coverage	Private households. Persons living in the institutional households (e.g. in care or imprisonment institutions, etc.) are excluded
Sample size	12,098 individuals, 5955 households
Response rate	Household response rate is 74.62% (5955 out of selected 7980)

Source: Statistics Lithuania (2023): <https://osp.stat.gov.lt/lietuvos-gyventoju-pajamos-ir-gyvenimo-salygos-2023/izanga>

3.2. Sample quality and design

The target population of the SILC data is private households (Statistics Lithuania, 2023). Persons living in the institutional households are excluded. Households are selected from the *Residents' Register* using a stratified sampling design with a simple random sample in strata. For this, the entire Lithuanian territory is divided into 7 non-overlapping groups – strata (the 5 biggest cities of Lithuania Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys; other towns; rural areas). The sample size of households in every stratum is proportional to the number of population aged 16 and over in them.

3.3. Non-response and item non-response

Based on Statistics Lithuania (2023) household response rate is 74.62%. For the 2022 survey, 7980 households were selected, of which 5955 participated in the survey. No information is available on response rates by area. Highest item non-response rates were on interest, dividends, profit from capital investments in incorporated businesses and regular inter-household cash transfers received. Item non-response was lower for family/children related allowances, for social exclusion payments, cash or near-cash employee income, unemployment benefits, old age benefits, survivor benefits, disability benefits.

3.4. Weights

The EU-SILC EMSD dataset uses a few types of cross-sectional survey weights, such as:

- the household cross-sectional weight (variable db090) – the weight calibrated with the target population of private households and corrected for household non-response.
- the personal cross-sectional weight for all household members of all ages (variable rb050) is used to draw inference on individual basic demographic variables for the population of all individuals living in private households. Because all the current members of any selected household are surveyed, the personal weights rb050 are equal to the corresponding household cross-sectional weight db090.
- the personal cross-sectional weights for all household members aged 16 and over (target variable pb040) is used to draw inference on the variables included in the personal questionnaire. These weights are corrected for individual non-response.

Table 3.3 Descriptive statistics of the grossing-up weight rb050 (dwt)

	EU-SILC EMSD Lithuanian data
Number	12098
Mean	231.9
Maximum	5027.6
Minimum	5.7
Max/Min	883.7

Lithuanian EU-SILC sample statistics has been projected to a reference population of **2.805.061** individuals in 1.400.936 households. The used weights are calibrated on the demographic data at the beginning of the survey year. In addition to the major age groups (around 17 sub-groups) and gender, the survey is calibrated by the residence area: the major 5 cities, other towns, and rural areas.

3.5. Data adjustment

Adjustments to variables are kept to a minimum. Some minor data cleaning is done to ensure that the relationships of individuals within households are coherent. As we focus on the income reference year (2021), children who are born in the year of the survey (until the survey time, which is January-April in Lithuania) are dropped from the final micro dataset - 4 observations.

3.6. Time period

The EU-SILC information on demographic variables mainly refers to the time of data collection (January-April, 2022). Some included demographic information (e.g. age variables) also reflects the status quo at the end of the income reference period (2021). Similar situation is observed for socio-economic and labour variables. For example, variable rb210 (i.e. basic activity status) refers to the data collection time, while variable pl073 indicates a number of months in full time work during the income reference period (the calendar year of 2021). For the construction of EUROMOD LT data, the demographic, labour, and socio-economic information is based – when possible - on the EU-SILC variables referring to the income reference period.

The EU-SILC EMSD 2022 information on incomes refers to the calendar year of 2021. Some additional information on the number of income payments per year and monthly amounts has been obtained and imputed from the National SILC information. This has been done for selected income sources only. All monetary incomes in the EUROMOD database are converted into monthly terms, based on a 12-month receipt period. In the EUROMOD calculations, it is implicitly assumed that income is received at the same rate throughout the year.

The EU-SILC does not contain information on how many times per year a certain type of income is actually received. National SILC, on the other hand, collects this information for some income variables. This information is (partially) used to construct EUROMOD variables on how many times a particular income type was paid over the year (e.g., bunmy – number of months per year receiving an unemployment benefit). In cases, where the National SILC does not carry the relevant information on the frequency of income receipts, other types of imputations/assumptions have been applied. For example, if the concerned income variable is reported as an aggregate income type (e.g. old-age pensions), a corresponding EUROMOD variable on the “months of benefit receipt” is constructed by summing the number of different pensions’ receipts – to the extent that this information is available in National SILC. The maximum number of months is set to 12. Also, if the information on a number of months of receiving one or another benefit is missing in National SILC, the relevant EUROMOD variable is constructed based on the indication on how many months a person has spent in a certain socio-economic activity type (i.e. the EU-SILC EMSD variables pl*).

3.7. Gross incomes

The EU-SILC EMSD survey contains information on both gross and net monetary incomes, if applicable. The survey also contains flag variables, which indicate if the observation has been collected either in gross or net form, imputation method and imputation factor (collected/recorded).

3.8. Merged and imputed variables

Table 3.3 provides information on the variables that have been merged from the National SILC into the EUROMOD LT-data 2022. No other major modifications have been done for these variables.

Table 3.4 EUROMOD LT database: variables merged from the National SILC

<i>LT-data 2022 variables</i>	Description
Aldar	Area of own or rented land (hectares)
Aldagar	Area of own or rented agricultural use land (hectares)

A number of EUROMOD LT-2022 variables are constructed using (merged) information both from the National SILC and EU-SILC EMSD surveys, plus – when needed – a number of other imputations. The main reason for such a construction of the variables is related to incomplete or missing information in both surveys. The concerned variables are:

- Severance pay (yunsv variable);
- Early retirement old-age pension (byr variable);
- Unemployment insurance benefit (bunct variable);
- Employment earnings – a number of months received (yemmy variable);
- Unemployment benefits – a number of months received (bunmy variable);
- Disability pensions – a number of months received (bdimy variable);
- Work history – a length of time in months (liwwh variable);
- Work history – imputed work history based on recalculation of pensions recorded in SILC and recorded work history in line with applied pension formula (liwivwh variable);
- Income – hourly predicted wage (yivwg variable);
- Income - wage coefficient (ywgfj variable);
- Income - employment income previous year (yempv variable);
- Income – taxable employment income (yemtx variable);
- Income – taxable self-employment income (ysetx variable);
- Disability benefits - imputed for kids based on parents' status (ddi variable).

Information from the National SILC is also used in some other EUROMOD LT-2022 variables construction cases. For example, *les* variable on the economic status is mainly derived from the EU-SILC EMSD reported income variables. However, information from the National SILC is used to form one of the *les* variable categories – a farmer status. The latter information is not available in the EU-SILC EMSD survey. The National SILC, on the other hand, reports on the “income received from the agricultural activity”. This information - in comparison to the relative importance of the other income sources - is used to make an assumption on being engaged in the farmer economic activities.

Information from the National SILC is also used in the disaggregation of the disability (*bdi*) and old age (*boa*) variables. The National SILC is used for the disaggregation of old-age (*boact*), state benefit (*boanc*), pensions for officials and soldiers (*boaml*), state pension for victims (*boawr*), social assistance (social) pension and compensation (*boamt*) and other pensions (*boaut*). The national SILC is also used for the disaggregation of disability pensions, such as: lost work capacity (*invalidity*) pension (*bdict*), compensation for people with disability (*bdixp*) and other benefits for people with disability (*bdiot*).

Some EUROMOD LT-2022 are constructed based on the external macro statistics and selected EU-SILC information. For example, a variable *afc* on the financial capital assets is constructed in

relation to the EU-SILC variable on investment income and in relation to the external information of the arithmetic average between the central bank base interest rate (EURIBOR rate) and a harmonised indices of consumer prices provided by Eurostat (HICP). Variables *xed00* and *xhl00* includes expenditures for education and healthcare are imputed based on HBS data. Expenditures for education (*xed00*) are allocated to the household head, while expenditures to health care (*xhl00*) are allocated to each adult in the household the same share of health care expenditure.

3.9. Up-rating

To account for time inconsistencies between the input dataset and the policy year, up-rating factors are used. Each monetary variable (i.e., each income component) is up-rated so as to account for changes in the non-simulated variables that have taken place between the year of the data and the year of the simulated tax-benefit system. Up-rating factors are generally based on changes in the average value of an income component between the year of the data and the policy year. For detailed information about the construction of each up-rating factor as well as the sources that have been used, see Annex 1.

As a rule, up-rating factors are provided both for simulated and non-simulated income components present in the input dataset. Note however that in the case of simulated variables, the actual simulated amounts are used in the baseline rather than the up-rated original variables in the dataset. Up-rating factors for simulated variables are provided so as to facilitate the use of the model in cases when the user wishes to turn off the simulation of a particular variable. The list of up-rating factors as well as the sources used to derive them can be found in Annex 1.

No other up-rating adjustments are employed; therefore, the distribution of receipts of non-simulated incomes remains constant throughout the period, while the level of amounts received changes in line with the up-rating factors. The variables included in EUROMOD on household and personal characteristics, such as housing type, employment status or demographic attributes, are constant in relation to the basis year (in the baseline scenario).

Since 2020, the list of up-rating factors was supplemented with average gross earnings by 12 sectors of economic activity. It allows to improve the scope of simulations by up-rating the income of each sector. For more information see Annex 1.

3.10. Input data extended with household expenditures

For the simulation of consumption taxes, the model is run with extended EUROMOD input files. This file extends the EUROMOD LT-data with 193 new variables (household-level income shares of expenditures by product) imputed from EU/National-HBS (*corresponding to the harmonized consumption categories defined at COICOP [2003] level 4 (five digits)*). The semi-parametric method implemented for the imputation follows the methodology developed by Akoğuz et al (2020).

Please note that, due to the lack of information in the HBS files distributed by Eurostat, there is no consumption reported at 5-digit COICOP level for the following 3-digit codes:

CP102

Positive consumption might exist for 3-digit or 4-digit levels, but EUROMOD uses only 5-digit values.

Table 3.5 summarizes the major features of the most recent database used to be run with the policy systems of 2021-2024.

Table 3.5 Extended EUROMOD database description

Extended EUROMOD database for the simulation of SILC 2022 – Income year 2021 – Expenditures from HBS 2015 consumption taxes	
EUROMOD database	LT_2022_c1_2015_03_e2
Year of collection (HBS) and source	HBS 2015 – EU
Year of collection (SILC) and source	SILC 2022 – EU/National
Coverage and sample size	Same as LT_2022_c1
Share of households with negative incomes excluded from the matching procedure	0.08%

(*) to update accordingly (later, once the data is available):

z: source of expenditure shares data with u (EU-HBS), e (EMSD) n (national HBS), a (admin data)

M: version of matching (correlative number), f: source of SILC dataset (National, UDB, ESMD): a, b or c

N: version of SILC processing (correlative number)

In Table 3.6 we present the share of households' consumption expenditures by product (and total) captured in our matched databases (extended EM input files) with respect to the original reported expenditures in HBS. The column that refers to the same year (in this case, HBS 2015 with Extended EM Input 2015) directly depends on the quality of the imputation procedure, while the comparison across different years is influenced not only by the matching noise but also by the changes in population characteristics and in the underlining distribution of income. Therefore, the coverage displayed in the second column is just informative but is not and should not be used to evaluate nor validate the imputation procedure.

Information on the coverage of these simulated expenditures (coming from the imputation of HBS 2015 to more recent SILC-based data) with respect to the expenditures reported by National Accounts is included in section 4 of this report, together with the other macro-validation results.

Below we summarize the main findings from the imputation validation checks for Lithuania.

Table 3.6 Expenditure coverage of Extended EM Input files

COICOP group	HBS 2015 – Extended EM Input 2015	HBS 2015 – Extended EM Input 2022
1	103.7%	112.6%
2	98.2%	121.7%
3	122.5%	142.9%
4	108.3%	108.2%
5	131.5%	136.7%
6	126.4%	137.1%

7	116.0%	138.6%
8	118.6%	115.8%
9	97.7%	123.1%
10	236.3%	169.2%
11	96.2%	106.1%
12	105.7%	119.9%
Total	121.8%	127.7%

4. VALIDATION

4.1. Aggregate Validation

EUROMOD results are validated against external statistics. Detailed comparisons of the number of people receiving a given income component and total annual spending and revenues are shown in Annex I. Both market incomes and non-simulated taxes and benefits in the input dataset as well as simulated taxes and benefits are validated against external official data. The main discrepancies between EUROMOD results and external benchmarks are discussed in the following subsections. Factors that may explain the observed differences are also discussed.

4.2. Components of disposable income

Before commenting on how different income components in EUROMOD compare against their external aggregates, this subsection outlines the differences in the definition of disposable income in EUROMOD and EU-SILC 2020. The major components of disposable income are the same in both sources: original incomes (+); benefits (+), taxes (-), employee social insurance contributions (-); and self-employed social insurance contributions (-). However, at the level of individual components there are two differences as can be seen from Table 4.1:

- EU-SILC includes (imputed) annual value of (using) a company car, while EUROMOD definition of disposable income excludes this type of income;
- Pension from individual private plans is included in the disposable income concept in EUROMOD, while it is excluded in EU-SILC.

Apart from differences in the definition, the size of disposable income in EU-SILC and EUROMOD can differ for a given household as simulated income components in EUROMOD can differ for a number of reasons from their observed counterparts in EU-SILC dataset.

Table 4.1 Components of disposable income

	EUROMOD	EU-SILC	Notes
	ils_dispy	hy020	
Employee cash or near cash income	yem	py010g	yem is derived from py010g
Company car	-	py021g	

Cash benefits or losses from self-employment	Yse	py050g	yse is derived from py050g
Pension from individual private plans	ypp	-	ypp is derived from py080g
Investment income	Yiy	hy090g	iyi is derived from hy090g
Income from rental of a property or land	Yprtt	hy040g	yprtt is derived from hy040g
Income received by people aged under 16	Yot	hy110g	yot is derived from hy110g
Regular inter-household cash transfer received	ypt	hy080g	ypt is derived from hy080g
Regular inter-household cash transfer paid (-)	Xmp	hy130g	xmp is derived from hy130g
Old-age benefits	boa	py100g	boa is derived from py100g
Survivor' benefits	Bsu	py110g	bsu is derived from py110g
Disability benefits	bdi	py130g	bdi is derived from py130g
Unemployment benefits	yunsv, byr, bunct_s	py090g	3 comp. in EUROMOD: byr (early retirement), yunsv (severance pay) & bunct_s (unempl. ben.); byr & yunsv are derived using EU-SILC (py090), Nat. SILC & external admin. info; bunct_s is EUROMOD simulated. Long-term work payment (bunct01_s) is not yet part of 2016 SILC data.
Housing allowances	Bho	hy070g	bho is derived from hy070g
Family/children related benefits	bchor , bch00_s, bchba_s, bplct_s, bmaprnc_s, bmaprct_s, bmact_s, bmaed_s, bchmp_s	hy050g	all “_s” variables are EUROMOD simulated benefits; bchor is merged from Nat. SILC Universal child benefit (bchnm_s) not yet recorded in 2016 SILC.
Benefit for a single person	bsg_s	-	Simulated benefit since 2021
Education related allowances	bed	py140g	bed is derived from py140g
Sickness benefits	bhl	py120g	bhl is derived from py120g
Social exclusion not elsewhere classified	bsa00_s, bsals	hy060g	bsa00_s is EUROMOD simulated benefit; bsals is derived using EU-SILC (hy060g), Nat. SILC & external admin. Info
Tax on income and social contributions (-)	tin_s, ils_sicee, ils_sicse	hy140g	EUROMOD data includes 3 simulated components; tin_s refers to final tax liability (for 2007 incomes). hy140g also refers to final tax liability; among other components it includes any tax reimbursement received in 2007 (also for income received in previous years);
Regular taxes on wealth (-)	tpr	hy120g	tpr is derived from hy120g

4.2.1 Validation of incomes inputted into the simulation

Note: Please see Annex 3 for tables.

Before discussing the results for original income in EUROMOD, it should be noted that weights for the Lithuanian EU-SILC are calibrated only towards demographical variables⁷³. No calibration is done towards the external income aggregates. Hence, the discrepancies between the aggregate amounts and reciprocity of the major sources of income in the survey compared to those shown by external statistics might occur. The data on minor income sources, such as some small-scale benefits, collected in the survey might not be representative. The standard updating procedure applied in EUROMOD would not correct for this, but instead should move the estimates in the parallel way relative to the dynamics shown by external sources. We thus focus on validating the base year (i.e., 2021) and checking the dynamics of income in the following years. Of note, there are numerous gaps in external statistics on the number of recipients of market income and aggregate amounts.

Table A3.1 shows that the number of people receiving employment income is overestimated in EUROMOD by around 16%, 12% and 9% for 2021, 2022 and 2023 respectively, as compared to the LFS figures. This may be partially explained by the fact that EU-SILC based data would pick up income received for short periods of time and sum the recipients across the year, while in LFS the average annual number of those receiving employment or self-employment income is given. As in the period of 2021-2023 the labour market and the economy were recovering from the COVID-19 pandemic, the ratio between EUROMOD and LFS improved over the years. Meanwhile, the number of recipients of self-employment income is highly overestimated in EUROMOD for all years (ratios 2.61 to 2.81). Supposedly, people tend not to report their self-employed activities to the authorities, and some may have short self-employment spells. Other factors for overestimation of the number of self-employed are similar to those for employment income recipients.

The annual gross employment income in EUROMOD is underestimated compared to external statistics (see Table A3.2). We, however, are using information on aggregate wages and salaries from the national accounts that is not strictly comparable with the survey estimates available in EU-SILC. The total amount of employment income is underestimated in EUROMOD by around 12-15% in 2021-2023. The respective statistics for other types of market income are not available. The results from EUROMOD show a steady increase in the amount of gross employment income between 2021-2024. Same is observed in the external statistics.

4.2.2 Validation of taxes, SIC and benefits

The validation results below should be interpreted taking into account that the baseline simulations do not capture the labour market changes and additional Covid-19 related interventions and transfers in 2021. These can be switched ON using LMA add-on in the model and are validated below.

Note: Please see Annex 3 for tables.

Table A3.3 shows numbers of taxes and social insurance contributions (SICs) payers. Regarding simulated tax and SIC components, the number of taxpayers of the personal income tax (PIT) is slightly underestimated compared to external administrative statistics in the baseline of 2021 (ratio at 0.93) and more in 2022-2023, by 13% and 15% respectively. The underestimation could be related to the number of employed and self-employed recorded in EUROMOD data, which does not capture the latest labour market trends. However, the number of payers of SIC shows a

⁷³ See EU-SILC quality reports available at:

http://epp.eurostat.ec.europa.eu/portal/page/portal/income_social_inclusion_living_conditions/quality/national_quality_reports

very good fit with the external statistics. It is over-simulated by 2% in 2021, is exactly the same for 2022 and is under-estimated by 2% in 2023. External statistics on the payers of the employer social insurance contributions is not available, however it can be assumed to be simulated with the same precision as employee contributions. There are no proper administrative data on the number of property tax payers and self-employed persons and who do not have business certificates, thus the number will be validated against statistics on aggregated amounts only.

The validation of aggregate amounts of the simulated taxes and SICs is shown in Table A3.4. Aggregate amounts of PIT simulated by EUROMOD are very close to the external data. PIT is matched at a ratio of 1.07 in 2021, 0.97 in 2021 and 0.99 in 2023. The annual employee and employer SIC do not match the aggregates derived from Eurostat. However, the latter also does not match the administrative records on SIC receipts from the State Social Insurance Fund (SSIF). If we validate our results towards SSIF data, the match for employee SIC corresponds well to the external statistics, as well as the number of the SIC payers (see Table 4.2). I.e. employee SIC is over-simulated in 2021 by around 3% and under-estimated in 2022-2023 by 2-4%. The employer SIC shows over-simulation of 6-13%, however, the SSIF data does not reflect contributions paid in cases when SIC floors are applied.

4.2.3 Validation of simulated consumption taxes

Table A3.9 and A3.10 show the validation of consumption taxes related amounts. The top part of table A3.9 compares expenditures aggregated amount from EUROMOD simulations with National Account (NA) external statistics as reported by EUROSTAT. For 2024 spending is over simulated in EUROMOD for the following categories: Food and non-alcoholic beverages, Clothing and footwear, Housing water and fuel, Health, Communications, and Education. Spending is under-simulated for Alcoholic beverages and tobacco, Furnishing and household equipment, Transport, Recreation and culture, Hotels and Restaurants, and Miscellaneous goods and services.

The second part of Table A3.9 compares aggregate revenues from consumption taxes (i.e. VAT and excises) to external statistics from EUROSTAT. The bottom part of the table shows simulated aggregate revenue for some category of interest such as alcoholic drinks, tobacco and energy products. In Lithuania both revenue from VAT and excises are under-simulated and capture only part of the revenue from consumption taxes. When looking at consumption taxes on specific items, the simulation significantly underestimates the government revenue on most of these products. One exception is Natural gas, for which EUROMOD results match external statistics. Other exceptions are Energy and Electricity for which simulated revenue is more than two times bigger than official statistics. These discrepancies are partly due to the fact that the survey data underpinning the CT simulation are based on consumers declared consumption that may differ from the actual consumption (e.g. people misreport about how much they smoke and drink). To correct for this problem, EUROMOD provides also adjusted consumption aggregates, where the calibration/correcting factor is the ratio between NA aggregated expenditures and EM aggregated simulated expenditures level 1 at baseline. Effectively NA adjustment scales-up (or down) consumption and tax liabilities of all individuals. Table A3.10 compares annual Government revenue from consumption taxes after applying calibration to NA. In the top part of table 3.10 we show that consumption tax revenues simulated in Lithuania for private households sum up to 6,085 million EUR for VAT and 2,019 million EUR for excises in 2024. As a result about 97% of aggregate VAT revenues and 98% of aggregate excises revenues are simulated in EUROMOD. When looking at specific items at lower coicop details, the calibration also improves the estimation of government revenue for most categories.

Table 4.2 Employee and employer SIC in EUROMOD and based on SSIF data

	EUROMOD				External			Ratio		
	2021	2022	2023	2024	2021	2022	2023	2021	2022	2023
Employee SIC, Health excl.	2,838	3,169	3,560	3,873	2,765	3,245	3,700	1.03	0.98	0.96
Employee SIC, Health incl.*	4,451	4,972	5,586	6,073	4,306	5,054	5,762	1.03	0.98	0.97
Employer SIC, floors excl.**	415	464	522	568	368	431	491	1.13	1.08	1.06

Source: SSIF receipts based on Atvira Sodra, URL: <https://atvira.sodra.lt/>. Notes: Numbers do not include contributions to the II pillar funded pension funds. * Atvira Sodra does not include Health Insurance receipts, which are imputed based on the tariffs applied. ** Employer SIC in Atvira Sodra does not include extra contributions paid by the employer when SIC contribution floors are applied.

The annual SIC amounts of self-employed are highly overestimated (with the ratio of 2.21). The result is not surprising as people might be reluctant to report to the tax authorities that they are self-employed. Given the high tax avoidance level in Lithuania and that the self-employed are concentrated in the bottom income decile, we can tentatively conclude that the problem is related to the high level of under-reporting of self-employment income to the tax authorities, while default EUROMOD simulates the statutory tax incidence based on the assumption of full tax compliance (tax compliance adjustments can be switched on). This issue, however, calls for further in-depth investigation. Finally, the total property tax revenue is underestimated in EUROMOD data by around 9-11% in 2021-2022 but constituting only 76% of the external statistics for 2023, which might be due to both the sampling and reporting errors in SILC. These changes are yet to be captured in EUROMOD with the 2023 data wave. The increase in the official property tax revenue in 2023 might also be due to the changes in property prices in the result of the new mass evaluations.

Note: Please see Annex 3 for tables.

Table A3.5 shows the number of recipients of pensions, means-tested and non-means-tested benefits. The number of recipients of old-age and disability benefits in EUROMOD is computed by summing up non-overlapping types of benefits before and after retirement age (and as such the numbers may not be completely comparable). The data show that the number of recipients of old-age benefits is underestimated in EUROMOD by only 4-5% in 2021-2023. When it comes to the number of recipients of disability pensions there is an overestimation, with the ratio of 1.25 in 2021. As for the number of early retirement old-age pension recipients, the numbers are well aligned with the overestimation of 3-5% in 2021-2023. Survivor's pension incidence is overestimated by 53% in 2021, but the ratio decreased to 1.24 in 2022 and further to 1.16 in 2023. Discrepancies between the number of pension recipients in EUROMOD and in the external statistics may also be due to the benefit aggregation-related issues in the EMSD-SILC and under-representation of the different groups of pensioners in the survey.

The number of the recipients of means-tested benefits are also shown in Table A3.5. The number of social assistance benefit recipients are underestimated by 11%-13% in 2021 –2022 and reached the ratio of 0.83 for 2023. These discrepancies might be due to several reasons: it may be related to the undeclared work and under-reporting of income to tax authorities which allow people to apply for social assistance; and can indicate the modelling issues in EUROMOD. I.e, since EUROMOD uses yearly income, it is not capable of calculating precisely the monthly entitlements for the social assistance benefit, for which incomes of only the last three months, as opposite to yearly income, are considered. Similarly, the recipients of the housing allowance (which cover compensations for heating and water costs) are underestimated by even larger extent in EUROMOD. The ratios for the housing allowances stood at 0.77 in 2021, further decreasing

to 0.54 in 2022 and 0.47 in 2023. These discrepancies can be the result of the small sample size and data weighting issues in the survey, as well as the modelling peculiarities mentioned earlier. Please note that the numbers on the housing allowances are taken from the data by default, but their simulations can be switched on in the model.

The municipal and NGO support is highly overestimated in EUROMOD with the ratios of 4.78 in 2021, 2.29 in 2022 and 3.08 in 2023. Please note that this support is not simulated in EUROMOD and taken directly from the data. Also, no precise external statistical information is available, therefore these ratios should be considered with extreme caution.

The number of families with children eligible for the additional child benefit (allowance) is overestimated in EUROMOD with the ratio of 1.81-1.91 in 2021-2022, but decreasing to 1.4 for 2023. This discrepancy might be due to several reasons. The main reason could be the assumption of 100% benefit take-up in EUROMOD. In addition, it can be because of our simulation of the means-test. Both EUROMOD model and external statistics indicate decrease in the number of beneficiaries in 2023, which is likely due to better labour market situation.

Further results in Table A3.5 cover recipients of simulated and non-simulated non-means-tested benefits. The number of recipients of a birth grant is underestimated by 9-11% between 2021-2022 but shows a close fit for 2023. As the receipt of birth grant is only dependant on the fact of the childbirth, the accuracy of the results strongly depends on the representativeness of the survey sample and different reference periods for demographic and income variables. Same is true for the pregnancy grant (non-contributory maternity benefit), albeit there is much higher discrepancy (ratio up to 2.19 in 2023). This grant is quite uncommon in Lithuania and even less so in the data. Hence the discrepancy is due to a small sample size.

EUROMOD simulates the number of families receiving the universal child benefit well (overestimation of 2-3% in 2021-2022 and underestimation by 11% in 2023). However, the recipients of other benefits, such as the benefit for multiple birth families and the student's childcare benefit cannot be well validated due to small (or non-existent) coverage, i.e. there were no recipients of the multiple birth families benefit observed in the sample.

More widely spread contributory benefits are captured much better, i.e., ratios of the paternity leave benefit are between 0.96-0.99 in 2021-2023. The coverage of the maternity benefit is underestimated with the ratio between 0.71-0.87. The biggest issue is an overestimation by around 40% of the childcare benefit recipients in 2021-2022 and 2 times in 2023. Like with birth and pregnancy grants, the larger number of childcare benefit recipients simulated in EUROMOD most likely is related with the representativeness of the survey sample.

The number of recipients of the unemployment social insurance benefit is underestimated by more than half in the baseline (0.42 in 2021). The ratio slightly improves (up to 0.62) for the rest of the period. Please note, that labour market adjustments can be additionally performed by using the LMA add-on, which allows user to introduce labour market transitions that are more in line with the changes in the labour market and in this way improve simulations.

The recipients of the non-simulated guardianship benefit are underestimated in EUROMOD. The ratios for guardianship benefits are at 0.78-0.72 in 2021-2023. These discrepancies can be the result of the small sample size and data weighting issues in the survey. Sickness social insurance benefits are widespread, yet there are no suitable administrative data on the number of recipients, apart from the number of cases of illness. If we use this information, the number of recipients in EUROMOD appears to be underestimated by around half. This is expected as one person may be sick for more than one time within a year, especially during the pandemic years.

Note: Please see Annex 3 for tables.

Aggregate amounts of non-simulated benefits are provided in the Table A3.6. Starting with pension section, the aggregate amount of disability benefits before the retirement age is underestimated by 4-7% in EUROMOD in 2021-2022. Old-age benefits are underestimated by 12-13% in 2021-2022. This is in part due to a slightly underestimated number of old-age benefit recipients. Despite of the overestimation of the recipients of the early retirement old-age pensions, aggregate amounts are overestimated by 8% only in 2021 and are underestimated by 13-18% for the rest of the period. The aggregate variable for survival benefits consists of a few major components: survivor and orphan pensions (before the retirement age), funeral benefit and grant in case of death of an insured person. This aggregate benefit is under-reported in the EU-SILC-based EUROMOD data by 30-35% in 2021-2025.

The validation of aggregate amounts of the means-tested benefits section is also shown in Table A3.6. The total aggregate amount for the social assistance benefit in EUROMOD is overestimated by 35-49% throughout 2021-2023. We have to take into account that there were important changes implemented due to the response to the Covid-19 crisis, such as loosened eligibility conditions, increased income disregard for the means-test and more generous equivalence scales used for the calculation of the social assistance benefit amount that altogether resulted in the increased aggregate amounts. In simulating the social assistance benefits, full take-up is assumed by default.

According to external statistics, expenditure on housing allowances increased by 2.5 times in 2022 as compared to 2021 and then nearly doubled from 2022 to 2023. This is driven by the energy crisis due to the Russia's war against Ukraine and increased inflation, in addition to the doubled number of benefit recipients from 2021 to 2023. The expenditure on compensations was only half of the external amounts in EUROMOD data in 2021. But for the 2022 it dropped to the ratio 0.12 and then down to 0.08 in 2023. Simulations of the compensations for heating and water costs can be turned ON in the model, which are OFF by default in the baseline model.

It should be noted that spending on the additional child benefits is over-simulated in EUROMOD for 2021-2023 by 52-55%. The overestimation of annual amounts is related to the oversimulated number of the recipients of the benefits (see Table A3.5). This may be due to the non-take-up, which is not accounted for in the model and other reason mentioned above. As the benefit is means-tested, the non-take-up is likely.

For municipal and NGO support the annual amounts appear to be largely over-estimated in EUROMOD, especially for 2021 which is expected having in mind the COVID-19 impact, although precise administrative statistics are not available both what concerns aggregate amounts and the number of recipients.

Regarding the simulated and non-simulated non-means-tested benefits listed in Table A3.6, the aggregate amounts of the universal child benefit show a very good fit for 2021-2023, with the slight overestimation of 2%-4%. The birth grant also shows a good fit, especially for 2023, but is underestimated by 7% in 2022 and 14% in 2021, which is related to the underestimation of benefit recipients. As there were no student's childcare benefits recipients observed in the sample and a very few recipients of benefit for multiple birth families, we cannot properly validate annual amounts of both types of benefit (we simulate only 20% of the expenditures on the later benefit). The annual amounts of the non-contributory pregnancy grant are highly overestimated in EUROMOD in 2021-2023 (ratios from 1.75 to 2.22), which is in line with the overestimated number of grant recipients. This is likely due to a very small number of mothers who can apply for the benefit. Additionally, the reliable external statistic regarding non-contributory maternity grants is lacking. However, the share of this benefit in total spending on non-contributory benefits is small.

The precision of the simulation of the contributory benefits varies from benefit to benefit. The closest match with external data is achieved for the maternity leave benefit (90.6-1.14 in 2021-2023), despite the underestimated number of the recipients. The aggregate amounts of the childcare benefit are oversimulated by 6%-9% in 2021-2022 and by 27% in 2023 and this is related to (even higher) overestimation of the recipients of this benefit. The paternity benefits are over-estimated in EUROMOD (by around 34-47%), despite the number of recipients showing a good fit with the external statistics. This discrepancy might be due to the higher previous wage recorded in the SILC data, which is used for the calculation of the benefit amount. The aggregate amounts of contributory unemployment social insurance benefits are undersimulated in EUROMOD with ratio of 0.61 in 2021, 0.64 in 2022 and 0.53 in 2023, which is in line with the underestimated number of the unemployment benefit recipients, which could be improved with the simulated labour market transitions via LMA Add-on

For the non-simulated benefits, the aggregate severance pay amount is underestimated nearly half in 2021 compared with the external statistics. The amounts of the sickness benefits, on contrary, are underestimated in the baseline with the ratio of 1.27 in 2021 in increasing further up to 1.49 in 2023, despite showing much lower incidence rates. As far as aggregate amounts of the guardianship benefits are concerned, the EUROMOD results indicate underestimation of 16% in 2021, but the ratio drops down to only 0.54 in 2023 since the amounts recorded in the external statistics doubles in two years' time due to substantial increases in the guardianship benefit payment and its differentiation according to the child's age and needs. Nevertheless, this benefit constitutes only a minor part of disposable income.

4.3. Income distribution

All income distribution results presented here are computed for individuals according to their household disposable income (HDI) equalised by the “modified OECD” equivalence scale. HDI are calculated as the sum of all income sources of all household members net of income tax and social insurance contributions. The weights in the OECD equivalence scale are: first adult=1; additional person aged 14 and over = 0.5; additional person under 14 = 0.3.

Off note, better match between the simulated and external statistics can be obtained by switching on add-ons (LMA) and extensions (MWA, EPS, TCA, FYA) available for Lithuania.

4.4. Income inequality

Note: Please see Annex 3 for tables.

This section estimates how well EUROMOD tracks the changes in income distribution and inequality for 2021-2022 compared to Eurostat where possible (at the time of writing, Eurostat figures referring to income up to the year 2022 (2023 survey data) were available). Table A3.7 indicates the distribution of equivalised disposable income. Results shows that in 2021-2022 the income shares by decile predicted by EUROMOD are relatively close to those reported by Eurostat. A notable exception is the bottom income decile, for which incomes are overestimated by 16% in 2022. This may be due to several issues, including the assumptions of full benefit take-up, limitations of simulated means-testing rules, etc.

While the median shows a good fit, the mean is under simulated and by 8-11% in 2021 and 2022. The assumption of full tax compliance may play a role here. Tax compliance adjustments can be performed in EUROMOD but are excluded in the baseline. All this leads to the S80/20 ratio being slightly underestimated in EUROMOD in 2021 (ratio 0.92) and in 2022 (ratio 0.91). For the Gini coefficients we find a closer match for EUROMOD and Eurostat statistics (ratio of 0.96 in 2021 and 0.97 in 2022).

4.5. Poverty rates

Note: Please see Annex 3 for tables.

Table A3.8 shows that the at-risk of poverty rates in the baseline year of 2021 are somewhat lower compared with those reported by EUROSTAT (2022 and 2023 EU-SILC data). The worst fit between EU-SILC and EUROMOD is for the 40% and 50% median equivalised income poverty thresholds for 2022 (ratios of 0.84) is due to over-estimation of disposable income for the first income decile shown in Table A3.7. Better match is achieved for the at-risk-of poverty rates at the threshold of 60% median equivalised income (ratios 0.92 in 2021 and 0.89 in 2022) and a very close fit at the threshold of 70% median equivalised income (ratios 0.96-0.97).

The comparison with the external statistics for 2021 and 2022 shows that statistics are rather well aligned throughout the age groups, with the higher degree of underestimation for children (ratios 0.85-0.89 for 0-15 years old) and teenagers and young adults (ratios 0.86-0.80 for 16-24 years old). At-risk-of-poverty rate for the remaining age groups (25 and above) are generally up to 10% lower compared with external statistics. The exception is the 50-64 years old group, for which the at-risk-of-poverty level well aligned in 2021 but is underestimated by 12% in 2022. These trends might be due to demographic representation in the model.

4.6. Summary of “health warnings”

In conclusion, the following major “health warnings” should be taken into account when using Lithuanian EUROMOD module and the underlying micro-data:

- The EU-SILC (Lithuanian part) is calibrated on a limited number of dimensions: residence area (7 groups), age (17 groups) and gender. No calibration is done towards external income aggregates. Therefore, reciprocity and aggregate amounts for the major income sources may not match between EU-SILC and external aggregates. Analysis on the benefits/taxes/contributions to/by smaller population groups should be done with care due to issues of representativeness.
- The default assumption in EUROMOD is full benefit take-up and full compliance with taxes and contributions. Baseline scenario does not include any employment adjustments.
- In the case of simulating a more recent policy year than the income reference period for the underlying input dataset, non-simulated monetary variables are updated using income-specific updating factors, whereas demographic and socio-economic status variables remain constant.
- Amounts of income taxes and social contributions of employees are well aligned with external statistics. Amounts of contributions paid by the self-employed are highly overestimated, which may be due to different reasons: changes in the number of the self-employed, the quality of reported self-employment income in EU-SILC, etc.
- Major aggregate benefit categories are difficult to validate as they consist of diverse individual components and are often constructed in line with the legal retirement age.
- Social assistance, a means-tested benefit, tends to be over-simulated in EUROMOD due to complexity of the means-test, difficulties in simulating the means-test using EMSD SILC and changes in administration of this social assistance benefit (municipalities have gotten more discretion power).
- The simulation of monetary wage compensation schemes introduced due to Covid-19 is triggered by the simulation of labour market transitions defined in policy TransLMA_lt. This policy becomes operational if the model is run in conjunction with the LMA add-on. The nature of these simulations is still experimental and only partially validated. Users are encouraged to refer to the “*Simulating labour market transitions in EUROMOD*” document prior to their use.
- Labour market transitions are switched OFF in EUROMOD baselines. As a consequence, the simulation of monetary compensation schemes does not produce any effect in baseline simulations. Since all policies are not linked to labour market transitions are fully functional, it is possible for disposable income in 2022 to be higher than disposable income in previous years.
- Extensions available for Lithuania include tax compliance adjustments (TCA), extended policy simulations for pensions (EPS), minimum wage adjustments (MWA) and full-year adjustments (FYA). These may help improve simulations, but are switched OFF in the baseline model.
- EUROMOD LT- data 2021 should be used with caution. As the income reference year of this data is 2020, all Covid-19 payments are included into the main aggregated income variables with limited possibilities to distinguish them from the general social benefits and pensions. LMA add-on should not be used in combination with LT- data 2021 to avoid double counting of Covid-19 benefits.

ANNEX 1. UPGRATING FACTORS (2021 =100)

Index	LT_2021	LT_2022	LT_2023	LT_2024
\$HICP	1	1.1885	1.2976	1.3261
\$f_yem	1	1.1327	1.2752	1.385
\$f_yempv	1	1.1056	1.2523	1.4098
\$f_one	1	1	1	1
\$f_bfa	1	1.1445	1.2752	1.4314
\$f_bho	1	0.8581	1.0271	1.1155
\$f_bunct	1	1.1659	1.3184	1.4337
\$f_bsa00	1	1.0779	1.2509	1.4023
\$f_bdi	1	1.1441	1.2947	1.4002
\$f_boa	1	1.1455	1.3041	1.4103
\$f_bsu	1	1.1413	1.2781	1.3444
\$f_byr	1	1.1575	1.3216	1.4588
\$f_boanc	1	1.0559	1.104	1.1699
\$f_boaml	1	1.0289	1.0762	1.1405
\$f_boawr	1	1.0711	1.1192	1.1867
\$f_boamt	1	1.1427	1.2867	1.3776
\$f_boaot	1	1.1155	1.2418	1.3704
\$f_bdixp	1	1.1083	1.225	1.375
\$f_bdiot	1	1.1327	1.2697	1.3789
\$f_yem1	1	1.1537	1.3263	1.4403
\$f_yem2	1	1.0859	1.2519	1.3596
\$f_yem3	1	1.1161	1.3	1.4117
\$f_yem4	1	1.1462	1.2712	1.3805
\$f_yem5	1	1.198	1.3627	1.4799
\$f_yem6	1	1.1382	1.2857	1.3962
\$f_yem7	1	1.1299	1.245	1.3521
\$f_yem8	1	1.1002	1.1547	1.2541
\$f_yem9	1	1.0965	1.2216	1.3266
\$f_yem10	1	1.1433	1.3192	1.4327
\$f_yem11	1	1.0827	1.2052	1.3088
\$f_cpi	1	1.1891	1.2921	1.3172
\$f_bsa	1	1.1075	1.225	1.375

ANNEX 2. POLICY EFFECTS IN 2023-2024

Indexation based on projected HICP for 2024⁷⁴ (HICP = 1.9%)

Table A2.1 shows the effect of policy changes implemented in 2024 on mean equalised household disposable income by income component and income decile group, as a percentage of mean equalised household disposable income in 2023. The effect is estimated as a difference between simulated household net income under the 2024 tax-benefit policies (deflating monetary parameters by Eurostat’s Harmonized Index of Consumer Prices, HICP) and net incomes simulated under 2023 policies.

⁷⁴ Results based on the final HICP will appear in the annual EUROMOD report Effects of tax-benefit policy changes across the income distributions of the EU-28 countries: 2019-22 (updated).

In general, we observe a progressive and positive effect to income in all income deciles despite the inflation (of 1.9%) and due to the measures implemented in 2024. The positive effects on disposable income between 2023-2024 ranges from 0.39% in the 10th income decile to 8.73% in the 1st decile. Apart from the first decile, the real disposable incomes increased substantially also for the second (by nearly 6%) and in the third (5.2%) deciles. The positive effect decreases with income, but is positive for all decile groups. The implemented policy reforms ensured progressive tax-benefit policy effect. The largest positive contributions to incomes of the lowest income deciles are driven by the changes in public pensions, and, to a lesser extent by the means-tested and non-means-tested benefits. The positive impact of the direct taxes, on the other hand, has an inverted U-shape, affecting incomes from the 2nd until the 7th deciles (peaking at the 4th) more than at the tails of income distribution. All deciles are affected by the negative real changes in the self-employed SIC (mostly affecting the tenth decile), and other SIC (mostly affecting the first decile). Meanwhile the negative change in the employee SIC affects only the 7th and higher deciles.

The largest increase in disposable income is due to changes in public pensions due to further pension indexation in 2024. On average, the average old-age pensions increased by around 11% State pensions (for judges, officials, soldiers) have been indexed by 5.95%. State pensions for victims and scientists have been increased in relation to state pension base (SPB). Because of the increased SPB, higher pensions were received by survivors and orphans, children and adults with disabilities, the increased assistance pension base affected persons who have not accumulated the required contributory history to receive the old-age pension.

The positive changes in both the means-tested and non-means-tested benefits between 2023 and 2024 are mainly related to the increased BSA (from 49 to 55 EUR) and SSI (from 157 to 176 EUR) amounts. The increase in the BSA positively affects many benefits, such as birth grant, pregnancy grant, multiple births grant, universal and additional child benefits. BSA is also used to determine the floor for some contributory benefits, such as maternity, paternity and parental benefits, thus affecting people with low incomes. On top, these floors were increase from 7 to 8 BSA, strengthening the positive impact for those with lower earnings. SSI, on the other hand, is important for the calculation of social assistance benefit and compensations for heating and water. Therefore, the overall impact off aforementioned changed is progressive, affecting the affecting the first two income deciles more than the others.

The positive impact of the direct taxes affected people from the 2nd until the 7th deciles (peaking at the 4th) more than from the top and bottom deciles. This is related to the changes in the thresholds and amounts of the basic tax allowances: 747 EUR is applied to income below MMS (924 EUR); for income between MMS and 2167 EUR the withdrawal rate is increased to 0.5, while for those whose income is above 2167 EUR, the withdrawal rate of 0.18 applied (as before). The allowance is not paid for incomes equal or higher than the 22,864.22 EUR. The amount of the basic allowance was also increased for people with reduced working capacity (level of participation). The higher negative impact of employee SIC on income in the 10th decile is due to the automatic indexation of the upper threshold of SIC payment (fixed at 5 average wages per month), which increases effective SIC for high earners. The stronger impact of other SIC on the first decile is related to the increased minimum compulsory health insurance contributions which are calculated as a share of the MMS, which was increased.

Overall, the changes between 2023 and 2024 had a positive progressive impact, especially benefiting the bottom income deciles. Real disposable income of the first decile grew by almost 9%. Overall policy changes were pro-poor and with the orientation towards pensioners, who are usually situated at the bottom of income distribution. Table A2.1 presents results in real terms, accounting for the CPI, and for comparison purposes, Table A2.2 complements the report by showing results in nominal terms. Due to low inflation (1.9%), the results in both tables do not

differ much and the later table (without inflation) also conveys the same message that the policy changes had a progressive impact on income in 2024.

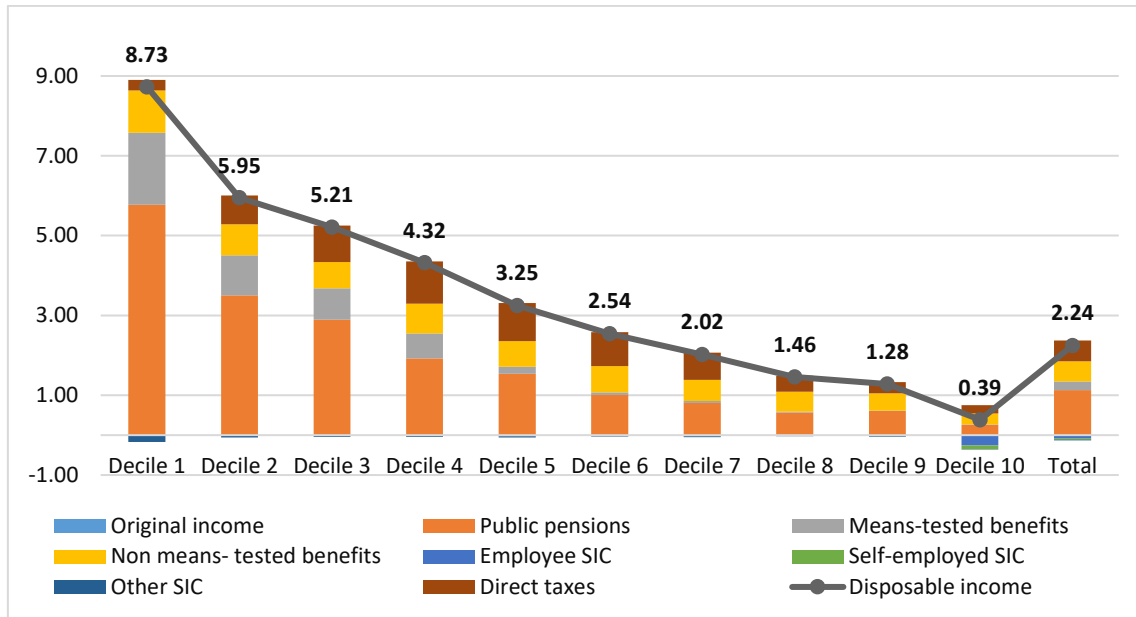
Table A2.1. Policy effects in 2023-2024, using the CPI-indexation, %

Results for Lithuania with alpha: CPI [1.019] on dataset LT_2022_c1									
Decile	Orig. income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disp. income
1	0,00	5,78	1,80	1,06	0,00	-0,02	-0,15	0,27	8,73
2	0,00	3,50	1,00	0,78	0,00	-0,02	-0,04	0,72	5,95
3	0,00	2,89	0,79	0,66	0,00	-0,01	-0,04	0,91	5,21
4	0,00	1,92	0,62	0,74	0,00	-0,01	-0,03	1,07	4,32
5	0,00	1,54	0,18	0,65	0,00	-0,02	-0,03	0,95	3,25
6	0,00	1,01	0,06	0,66	0,00	-0,01	-0,03	0,85	2,54
7	0,00	0,81	0,05	0,54	-0,01	-0,01	-0,02	0,68	2,02
8	0,00	0,57	0,02	0,50	-0,01	-0,01	-0,01	0,40	1,46
9	0,00	0,61	0,01	0,43	-0,02	-0,01	-0,01	0,28	1,28
10	0,00	0,26	0,01	0,27	-0,26	-0,10	-0,01	0,20	0,39
Total	0,00	1,13	0,21	0,51	-0,08	-0,04	-0,02	0,52	2,24

Table A2.2. Policy effects in 2023-2024, in nominal values, %

Results for Lithuania with alpha: custom [1] on dataset LT_2022_c1									
Decile	Orig. income	Public pensions	Means-tested benefits	Non means-tested benefits	Employee SIC	Self-employed SIC	Other SIC	Direct taxes	Disp. income
1	0,00	6,82	2,17	1,31	0,00	-0,02	-0,19	0,29	10,38
2	0,00	4,46	1,19	0,96	0,00	-0,03	-0,05	0,83	7,37
3	0,00	3,71	0,90	0,82	0,00	-0,01	-0,04	1,08	6,46
4	0,00	2,50	0,73	0,92	0,00	-0,01	-0,04	1,28	5,38
5	0,00	1,99	0,21	0,81	0,00	-0,03	-0,04	1,18	4,11
6	0,00	1,30	0,08	0,82	0,00	-0,01	-0,03	1,09	3,23
7	0,00	1,04	0,06	0,67	-0,01	-0,02	-0,03	0,90	2,61
8	0,00	0,73	0,03	0,63	-0,01	-0,01	-0,01	0,57	1,92
9	0,00	0,77	0,02	0,54	-0,02	-0,01	-0,02	0,38	1,66
10	0,00	0,34	0,01	0,34	-0,30	-0,12	-0,01	0,26	0,53
Total	0,00	1,44	0,25	0,64	-0,09	-0,04	-0,03	0,66	2,83

Figure A2.3. Policy effects in 2023-2024, using the CPI-indexation (1.9 %)



ANNEX 3. VALIDATION TABLES

See [statistical annex](#) for details and tables.

ANNEX 4. RECALCULATIONS AND COMPENSATIONS OF PENSIONS

While pensions are not directly simulated in EUROMOD, we include the following components into the model related to pension indexation, cuts, compensations, and bonuses. Extended policy simulations for pensions are off by default and can be switched ON using EPS extension.

First, due to fiscal consolidation during the period of economic crisis social insurance and state pensions were progressively cut in Lithuania in 2010. Cuts lasted until 2012 and since 2014 compensations for the losses have been initialised. All these recalculations of pensions were of progressive nature and had different effect on the different groups of pensioners. Therefore, we opted for simulating them directly in the model instead of applying the regular updating procedure for non-simulated benefits. The structural cuts for the following categories of pensions were simulated in EUROMOD for 2010-2011 and included into the baseline (policy sheet *boa_lt*). Up to 2009 these benefits were updated using regular updating procedure. In 2010-2011 the pension cuts were implemented directly in the model; these simulations are linked to 2010 SILC (2009 income reference). For more information see previous EUROMOD country reports for Lithuania.

The old-age pension indexation is also introduced and implemented in the model (policy sheet *boa00_lt*). It is implemented based on the previous employment history (*liwivwh*) and the number of reference points (*ywgfj*) which are imputed in the data. Since 2018 policy system, the conversion coefficient (0.78) is applied when recalculating former pension records into the point system. Changes to the basic part of social insurance pensions since 2022 are also modelled.

From 2019 onwards, small pension bonuses we implemented in EUROMOD based on the Law on Social Assistance Pensions of the Republic of Lithuania⁷⁵. If a person is eligible for the pension, he is paid a full difference of 95% of cost of basic needs (CBN) and the received pension. If a person has a minimum length of service but is not eligible to receive the pension, the proportion of the bonus is reduced proportionately. As of January 1st 2020, an eligible person is paid a full difference of 100% of cost of basic needs (CBN)⁷⁶. The bonus is modelled in an intermediate variable (*int_bonus*) and added to *boa01_s*.

⁷⁵ Based on the following law: Lietuvos Respublikos šalpos pensijų įstatymas, No. I-675. <https://www.e-tar.lt/portal/lt/legalAct/TAR.2CE6CFE9E2EE>

⁷⁶ Based on the following law „Lietuvos Respublikos šalpos pensijų įstatymo Nr. I-675 8, 20, 22-1, 22-2 ir 24 straipsnių pakeitimo įstatymas“. 2019-12-19, Nr. 20564.

STATISTICAL ANNEX 1. VALIDATION TABLES

Table A3.1. Original income in EUROMOD - Number of recipients (thousands)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Earnings (ils_earn)													
employment income (yem)	N	1,408	1,408	1,408	1,408	1,209	1,258	1,289	NaN	1.16	1.12	1.09	NaN
self-employment income (yse)	N	447	447	447	447	159	174	171	NaN	2.81	2.57	2.61	NaN
(yem01)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem02)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem04)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem44)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem60)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem89)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemnt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemfbnt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse27)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse31)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse39)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse51)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse52)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse61)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse62)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse77)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse88)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse90)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse9200)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse9201)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse93)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse96)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag29)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag34)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag35)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse35_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag97)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse97_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseagnt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse92_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
(xse93_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse96_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns)													
private pension (ypp)	N	10	10	10	10	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	282	282	282	282	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income from property (ypr)	N	180	180	180	180	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income of children under 16 (yot)	N	1	1	1	1	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (ypt)	N	58	58	58	58	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
maintenance payment (xmp)	N	84	84	84	84	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
yem component (admin) (ils_yem)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr13_14)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr15)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr16)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr17)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr18)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x13_14)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprrt23)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprrt24)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy11)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy12)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy26)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy55)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy58)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy59)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy64)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy67)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x11)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x12)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiynt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp48)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp71)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp72)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp75)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp76)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yppnt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
(bed45)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bed47)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot41)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot42)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot43)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot46)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot70)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yotnt)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Earnings (ils_earn)		
employment income (yem)	Eurostat. GDP and main components (output, expenditure and income). Wages and salaries, current	-
self-employment income (yse)	-	-
(yem01)	-	-
(yem02)	-	-
(yem04)	-	-
(yem44)	-	-
(yem60)	-	-
(yem89)	-	-
(yemnt)	-	-
(yemfbnt)	-	-
(yse27)	-	-
(yse31)	-	-
(yse39)	-	-
(yse51)	-	-
(yse52)	-	-
(yse61)	-	-
(yse62)	-	-
(yse77)	-	-
(yse88)	-	-
(yse90)	-	-
(yse9200)	-	-
(yse9201)	-	-
(yse93)	-	-
(yse96)	-	-
(yseag29)	-	-

Continued...

	Source	Comments
(yseag34)	-	-
(yseag35)	-	-
(xse35_s)	-	-
(yseag97)	-	-
(xse97_s)	-	-
(yseagnt)	-	-
(xse92_s)	-	-
(xse93_s)	-	-
(xse96_s)	-	-
Other original income (ils_origy - ils_earns)		
private pension (ypp)	-	-
investment income (yiy)	-	-
income from property (ypr)	-	-
income of children under 16 (yot)	-	-
private transfers received (ypt)	-	-
maintenance payment (xmp)	-	-
yem component (admin) (ils_yem)	-	-
(ypr13_14)	-	-
(ypr15)	-	-
(ypr16)	-	-
(ypr17)	-	-
(ypr18)	-	-
(x13_14)	-	-
(yprrt23)	-	-
(yprrt24)	-	-
(yiy11)	-	-
(yiy12)	-	-
(yiy26)	-	-
(yiy55)	-	-
(yiy58)	-	-
(yiy59)	-	-
(yiy64)	-	-
(yiy67)	-	-
(x11)	-	-
(x12)	-	-

Continued...

	Source	Comments
(yiynt)	-	-
(ypp48)	-	-
(ypp71)	-	-
(ypp72)	-	-
(ypp75)	-	-
(ypp76)	-	-
(yppnt)	-	-
(bed45)	-	-
(bed47)	-	-
(yot41)	-	-
(yot42)	-	-
(yot43)	-	-
(yot46)	-	-
(yot70)	-	-
(yotnt)	-	-

Table A3.2. Original income in EUROMOD - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Earnings (ils_earn)													
employment income (yem)	N	23,114	25,835	29,024	31,520	26,130	30,276	34,011	NaN	0.88	0.85	0.85	NaN
self-employment income (yse)	N	3,572	4,046	4,554	4,947	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem04)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem44)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem60)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yem89)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yemfbnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse27)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse31)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse39)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse51)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse52)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse61)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse62)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse77)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse88)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse90)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse9200)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse9201)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse93)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yse96)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag29)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag34)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag35)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse35_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseag97)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse97_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yseagnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse92_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
(xse93_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(xse96_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns)													
private pension (ypp)	N	17	19	22	24	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	769	769	769	769	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income from property (ypr)	N	360	428	465	474	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income of children under 16 (yot)	N	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (ypt)	N	119	135	152	165	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
maintenance payment (xmp)	N	159	180	203	220	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
yem component (admin) (ils_yem)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr13_14)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr15)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr16)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr17)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypr18)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x13_14)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprrt23)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yprrt24)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy11)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy12)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy26)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy55)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy58)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy59)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy64)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiy67)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x11)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(x12)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yiynt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp48)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp71)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp72)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp75)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(ypp76)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yppnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
(bed45)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(bed47)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot41)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot42)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot43)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot46)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yot70)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
(yotnt)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.3. Direct taxes and SIC - Number of payers (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Direct taxes (ils_tax)																					
personal income tax (asmens pajamu mokestis) (tin_s)	Y	1,535	1,512	1,508	1,492	0	0	0	0	0.00	0.00	0.00	0.00	1,648	1,729	1,765	NaN	0.93	0.87	0.85	NaN
property/wealth taxes tpr (tpr)	N	584	584	584	584	584	584	584	584	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on commercial immovable property (tpr01)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on non-commercial immovable property (tpr02)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on land not used in agriculture (twl01)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on land used in agriculture (twl02)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)																					
employee SIC: pension (tscepi_s)	Y	1,408	1,408	1,408	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: sickness & maternity (tscesis_s)	Y	1,408	1,408	1,408	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: health (tscehl_s)	Y	1,408	1,408	1,408	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpcepi_s)	Y	1,227	1,227	1,227	1,236	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed Social Insurance Contributions (ils_sicse)																					
self-employed SIC: pension (socialinio draudimo imokos) (tscsepi_s)	Y	348	348	348	348	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: health (privalomojo sveikatos draudimo imokos) (tscsehl_s)	Y	348	348	348	348	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: sickness/maternity (tscsesi_s)	Y	304	304	304	304	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpcsepi_s)	Y	342	342	342	345	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)																					
employer SIC: pension (since 2019 only when floors applied) (tscerpi_s)	Y	33	36	41	44	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: sickness & maternity (since 2019 only when floors applied) (tscersi_s)	Y	33	36	41	44	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
employer SIC: unemployment (tscerui_s)	Y	1,408	1,408	1,408	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: health (since 2019 only when floors applied) (tscerhl_s)	Y	33	36	41	44	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: empl. injuries etc (tscerac_s)	Y	1,406	1,406	1,406	1,407	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: guarantee fund (tscersf_s)	Y	1,406	1,406	1,407	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: long-term employment (tscerot_s)	Y	1,406	1,406	1,407	1,408	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Credited Contributions (ils_sicct)																					
credited contributions: pension (tsctpi_s)	Y	10	10	10	10	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: unemployment (tsctui_s)	Y	10	10	10	10	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: health (tscthl_s)	Y	1,124	1,124	1,124	1,124	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited 2nd pillar contributions by the state (tpctpi_s)	Y	1,361	1,361	1,361	1,371	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other Contributions (ils_sicot)																					
compulsory health contributions (thl_s)	Y	107	107	107	107	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Direct taxes (ils_tax)		
personal income tax (asmens pajamu mokestis) (tin_s)	VMI ataskaitų archyvas. VMI ADMINISTRUOJAMŲ NACIONALINIO BIUDŽETO PAJAMŲ SURINKIMO APŽVALGA. Gyventojų pajamų mokesčio pajamų 2013-	-
property/wealth taxes tpr (tpr)	VMI ataskaitų archyvas. VMI ADMINISTRUOJAMŲ NACIONALINIO BIUDŽETO	-
Tax on commercial immovable property (tpr01)	-	-
Tax on non-commercial immovable property (tpr02)	-	-
Tax on land not used in agriculture (twl01)	-	-
Tax on land used in agriculture (twl02)	-	-
Employee Social Insurance Contributions (ils_sicee)		
employee SIC: pension (tscepi_s)	-	-
employee SIC: sickness & maternity (tsceesi_s)	-	-

Continued...

	Source	Comments
employee SIC: health (tsceehl_s)	-	-
2nd pillar pension insurance contributions (tpceepi_s)	-	-
Self-employed Social Insurance Contributions (ils_sicse)		
self-employed SIC: pension (socialinio draudimo imokos) (tscsepi_s)	-	-
self-employed SIC: health (privalomojo sveikatos draudimo imokos) (tscsehl_s)	-	-
self-employed SIC: sickness/maternity (tscsesi_s)	-	-
2nd pillar pension insurance contributions (tpcsepi_s)	-	-
Employer Social Insurance Contributions (ils_sicer)		
employer SIC: pension (since 2019 only when floors applied) (tscerpi_s)	-	-
employer SIC: sickness & maternity (since 2019 only when floors applied) (tscersi_s)	-	-
employer SIC: unemployment (tsceru_i_s)	-	-
employer SIC: health (since 2019 only when floors applied) (tscerhl_s)	-	-
employer SIC: empl. injuries etc (tscerac_s)	-	-
employer SIC: guarantee fund (tscersf_s)	-	-
employer SIC: long-term employment (tscerot_s)	-	-
Credited Contributions (ils_sicct)		
credited contributions: pension (tsctctpi_s)	-	-
credited contributions: unemployment (tsctctui_s)	-	-
credited contributions: health (tsctcthl_s)	-	-
credited 2nd pillar contributions by the state (tpcctpi_s)	-	-
Other Contributions (ils_sicot)		
compulsory health contributions (thl_s)	-	-

Table A3.4. Direct taxes and SIC - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Direct taxes (ils_tax)																					
personal income tax (asmens pajamu mokestis) (tin_s)	Y	4,425	4,960	5,652	6,106	0	0	0	0	0.00	0.00	0.00	0.00	4,189	5,118	5,700	NaN	1.06	0.97	0.99	NaN
property/wealth taxes tpr (tpr)	N	45	45	45	45	45	45	45	45	1.00	1.00	1.00	1.00	42	41	60	NaN	1.09	1.11	0.76	NaN
Tax on commercial immovable property (tpr01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on non-commercial immovable property (tpr02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on land not used in agriculture (twl01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Tax on land used in agriculture (twl02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employee Social Insurance Contributions (ils_sicee)		5,011	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	3,605	NaN	NaN	NaN	1.39	NaN	NaN	NaN
employee SIC: pension (tscepi_s)	Y	1,977	2,207	2,480	2,698	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: sickness & maternity (tsceesi_s)	Y	861	962	1,081	1,176	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: health (tsceehl_s)	Y	1,613	1,803	2,026	2,200	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpcepi_s)	Y	559	656	769	840	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed Social Insurance Contributions (ils_sicse)		480	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	217	NaN	NaN	NaN	2.21	NaN	NaN	NaN
self-employed SIC: pension (socialinio draudimo imokos) (tscepi_s)	Y	187	212	239	261	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: health (privalomojo sveikatos draudimo imokos) (tscehl_s)	Y	150	170	191	209	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: sickness/maternity (tscsesi_s)	Y	70	80	90	98	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpcsepi_s)	Y	72	85	101	110	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)		415	464	522	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	930	1,102	1,250	NaN	0.45	0.42	0.42	NaN
employer SIC: pension (since 2019 only when floors applied) (tscerpi_s)	Y	2	3	4	4	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: sickness & maternity (since 2019 only when floors applied) (tscersi_s)	Y	1	1	2	2	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
employer SIC: unemployment (tscerui_s)	Y	303	339	381	414	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: health (since 2019 only when floors applied) (tscerhl_s)	Y	2	2	3	3	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: empl. injuries etc (tscerac_s)	Y	32	36	41	44	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: guarantee fund (tscersf_s)	Y	37	41	47	51	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: long-term employment (tscerot_s)	Y	37	41	47	51	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Credited Contributions (ils_sicct)																					
credited contributions: pension (tscctpi_s)	Y	7	8	9	10	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: unemployment (tscctui_s)	Y	1	1	1	2	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: health (tsccthl_s)	Y	605	687	791	870	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited 2nd pillar contributions by the state (tpcctpi_s)	Y	211	256	310	353	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other Contributions (ils_sicot)																					
compulsory health contributions (thl_s)	Y	58	66	75	83	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.5. Benefits - Number of recipients (thousands)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Pensions (ils_pen)																					
old age benefits (boa)	N	633	633	633	633	633	633	633	633	1.00	1.00	1.00	1.00	664	664	673	NaN	0.95	0.95	0.94	NaN
disability benefits (bdi)	N	181	181	181	181	181	181	181	181	1.00	1.00	1.00	1.00	145	NaN	NaN	NaN	1.25	NaN	NaN	NaN
survivors' benefits (bsu)	N	250	242	243	242	250	250	250	250	1.00	0.97	0.97	0.97	237	236	234	NaN	1.05	1.03	1.04	NaN
early retirement benefit (byr)	N	9	9	9	9	9	9	9	9	1.00	1.00	1.00	1.00	6	7	8	NaN	1.53	1.24	1.16	NaN
cuts/ compensations (boa01_s)	Y	76	48	101	178	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (bdi01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (bsu01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (byr01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Means-tested benefits (ils_benmt)																					
housing allowances (bho)	N	61	61	61	61	61	61	61	61	1.00	1.00	1.00	1.00	79	112	131	NaN	0.77	0.54	0.47	NaN
social benefit (socialine pasarpa) (bsa00_s)	Y	58	57	57	60	59	59	59	59	0.97	0.97	0.96	1.01	67	65	69	69	0.87	0.89	0.83	0.87
municipal and NGO support (savivaldybiu ir NVO parama) (bsals)	N	75	75	75	75	75	75	75	75	1.00	1.00	1.00	1.00	16	33	24	NaN	4.78	2.29	3.08	NaN
admin (bsaot)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
additional child benefit (papildoma ismoka vaikui) (bch00_s)	Y	118	121	120	121	0	0	0	0	0.00	0.00	0.00	0.00	65	63	85	NaN	1.81	1.91	1.40	NaN
Non-means-tested benefits (ils_bennt)																					
additional child benefit (papildoma ismoka vaikui) (bch00_s)	Y	119	122	121	123	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
birth grant (vienkartine ismoka gimus vaikui) (bchba_s)	Y	21	21	21	21	0	0	0	0	0.00	0.00	0.00	0.00	24	23	21	NaN	0.85	0.91	1.01	NaN
benefit for multiple birth families (ismoka gimus daugiau nei dviem vaikams) (bchmp_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	2	2	1	NaN	0.08	0.10	0.11	NaN
student's childcare benefit (bmaed_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	1	1	1	NaN	0.00	0.00	0.00	NaN
universal child benefit (universali vaiko ismoka) (bchnm_s)	Y	337	339	339	339	0	0	0	0	0.00	0.00	0.00	0.00	330	329	381	NaN	1.02	1.03	0.89	NaN
guardianship benefit (globos (rupybos) ismoka) (bchor)	N	6	6	6	6	6	6	6	6	1.00	1.00	1.00	1.00	7	8	8	NaN	0.78	0.72	0.72	NaN
admin (bchot)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
education-related allowances (bed)	N	25	25	25	25	25	25	25	25	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
sickness benefits (bhl)	N	588	588	588	588	588	588	588	588	1.00	1.00	1.00	1.00	991	1,238	1,047	NaN	0.59	0.47	0.56	NaN
sickness for childcare during Covid (bhl_s)	Y	0	0	0	0	588	588	588	588	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
pregnancy grant (vienkartine ismoka nesciai materiai) (bmaprnc_s)	Y	6	6	6	6	0	0	0	0	0.00	0.00	0.00	0.00	3	3	3	NaN	1.74	1.80	2.19	NaN
maternity leave benefit (motinystes ismoka) (bmaprct_s)	Y	15	15	15	15	0	0	0	0	0.00	0.00	0.00	0.00	21	19	17	NaN	0.71	0.78	0.87	NaN
childcare benefit (vaiko prieziuros ismoka) (bmact_s)	Y	49	49	68	68	0	0	0	0	0.00	0.00	0.00	0.00	36	35	34	NaN	1.38	1.41	2.02	NaN
paternity leave benefit (tevystes ismoka) (bplct_s)	Y	14	14	15	15	0	0	0	0	0.00	0.00	0.00	0.00	15	15	15	NaN	0.98	0.99	0.96	NaN
unemployment insurance benefit (nedarbo draudimo ismoka) (bunct_s)	Y	95	95	95	95	181	181	181	181	0.52	0.52	0.52	0.52	225	157	153	NaN	0.42	0.60	0.62	NaN
long-term work benefit (bunct01_s)	Y	9	9	9	9	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
temporary Covid-related instrument (buncnc_s)	Y	92	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
severance pay (yunsv)	N	108	108	108	108	108	108	108	108	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Covid compensation for the self-employed (ysemc_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee1_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee2_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
benefit for a single person (bsg_s)	Y	202	278	277	278	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Payment to persons engaged in agricultural activities: admin (bot01)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Partial employment benefit: admin (bunct02)	N	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Child maintenance allowance: admin (yptmp)	N	40	40	40	40	40	40	40	40	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Pensions (ils_pen)		
old age benefits (boa)	Statistics Lithuania. Social protection expenditure on old-age benefits	-
disability benefits (bdi)	Statistics Lithuania. Social protection expenditure on disability benefits	-
survivors' benefits (bsu)	Statistics Lithuania. Population and social statistics. Social protection. Social	-
early retirement benefit (byr)	Atvira sodra. Priskaičiuota pensijų suma pagal pensijų rūšis. Nuo metų pradžios.	-
cuts/ compensations (boa01_s)	-	-
cuts/ compensations (bdi01_s)	-	-
cuts/ compensations (bsu01_s)	-	-
cuts/ compensations (byr01_s)	-	-

Continued...

	Source	Comments
Means-tested benefits (ils_benmt)		
housing allowances (bho)	Statistics Lithuania. Social protection (administrative data). Social assistance.	Heating and water compensations
social benefit (socialine pasalpa) (bsa00_s)	Statistics Lithuania. Social protection (administrative data). Social assistance. Expenditure on reimbursement for heating and water supply costs.	-
municipal and NGO support (savivaldybiu ir NVO parama) (bsals)	Socialinė apsauga (administraciniai duomenys). Socialinė parama. Išlaidos iš savivaldybių biudžetų mokamoms vienkartinėms pašalpoms socialiai remtiniams	-
admin (bsaot)	-	-
additional child benefit (papildoma ismoka vaikui) (bch00_s)	MoSL Qlik application data	-
Non-means-tested benefits (ils_bennt)		
additional child benefit (papildoma ismoka vaikui) (bch00_s)	-	-
birth grant (vienkartine ismoka gimus vaikui) (bchba_s)	Statistics Lithuania. Expenditure on benefits for families bringing up children https://osp.stat.gov.lt/EN/statistiniu-rodikliu-analize?hash=fe2f1e82-7e19-4a25-	-
benefit for multiple birth families (ismoka gimus daugiau nei dviem vaikams) (bchmp_s)	Statistics Lithuania. Expenditure on benefits for families bringing up children https://osp.stat.gov.lt/EN/statistiniu-rodikliu-analize?hash=fe2f1e82-7e19-4a25-8903-334da41127b2#/	-
student's childcare benefit (bmaed_s)	Statistics Lithuania. Expenditure on benefits for families bringing up children	-
universal child benefit (universali vaiko ismoka) (bchnm_s)	MoSL Qlik application data	-
guardianship benefit (globos (rupybos) ismoka) (bchor)	Statistics Lithuania. Expenditure on benefits for families bringing up children https://osp.stat.gov.lt/EN/statistiniu-rodikliu-analize?hash=fe2f1e82-7e19-4a25-	-
admin (bchot)	-	-
education-related allowances (bed)	-	-
sickness benefits (bhl)	Atvira sodra. Išmokoms priskaičiuotos sumos pagal išmokų rūšis kitimas.	-
sickness for childcare during Covid (bhl_s)	-	-
pregnancy grant (vienkartine ismoka nesciai moteriai) (bmaprnc_s)	Statistics Lithuania. Expenditure on benefits for families bringing up children	-
maternity leave benefit (motinystes ismoka) (bmaprct_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_13_1.xlsx	-
childcare benefit (vaiko prieziuros ismoka) (bmact_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_13_1.xlsx	-
paternity leave benefit (tevystes ismoka) (bpict_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_13_1.xlsx	-
unemployment insurance benefit (nedarbo draudimo ismoka) (bunct_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_33_1.xlsx	-
long-term work benefit (bunct01_s)	-	-
temporary Covid-related instrument (bunnc_s)	-	-
severance pay (yunsv)	Statistics Lithuania. Gyventojai ir socialinė statistika. Darbo apmokėjimas ir darbo	-

Continued...

	Source	Comments
Covid compensation for the self-employed (ysemc_s)	-	-
wage compensation paid by the state (bwkmcee1_s)	-	-
wage compensation paid by the state (bwkmcee2_s)	-	-
benefit for a single person (bsg_s)	-	-
Payment to persons engaged in agricultural activities: admin (bot01)	-	-
Partial employment benefit: admin (bunct02)	-	-
Child maintenance allowance: admin (yptmp)	-	-

Table A3.6. Benefits - Annual amounts (million)

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Pensions (ils_pen)																					
old age benefits (boa)	N	3,272	3,748	4,267	4,614	3,272	3,272	3,272	3,272	1.00	1.15	1.30	1.41	3,718	4,297	NaN	NaN	0.88	0.87	NaN	NaN
disability benefits (bdi)	N	559	640	724	783	559	559	559	559	1.00	1.14	1.29	1.40	600	665	NaN	NaN	0.93	0.96	NaN	NaN
survivors' benefits (bsu)	N	136	155	174	182	136	136	136	136	1.00	1.14	1.28	1.34	211	222	NaN	NaN	0.65	0.70	NaN	NaN
early retirement benefit (byr)	N	24	28	32	35	24	24	24	24	1.00	1.16	1.32	1.46	22	32	39	NaN	1.08	0.87	0.82	NaN
cuts/ compensations (boa01_s)	Y	38	29	60	138	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (bdi01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (bsu01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
cuts/ compensations (byr01_s)	Y	0	0	0	0	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Means-tested benefits (ils_benmt)																					
housing allowances (bho)	N	10	8	10	11	10	10	10	10	1.00	0.86	1.03	1.12	20	73	134	NaN	0.50	0.12	0.08	NaN
social benefit (socialine pasarpa) (bsa00_s)	Y	121	134	150	171	80	80	80	80	1.52	1.68	1.88	2.15	86	90	111	NaN	1.40	1.49	1.35	NaN
municipal and NGO support (savivaldybiu ir NVO parama) (bsals)	N	16	17	20	22	16	16	16	16	1.00	1.08	1.25	1.40	3	8	7	NaN	5.41	2.09	2.97	NaN
admin (bsaot)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
additional child benefit (papildoma ismoka vaikui) (bch00_s)	Y	110	125	137	155	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	73	80	90	NaN	1.52	1.55	1.52	NaN
Non-means-tested benefits (ils_bennt)																					
additional child benefit (papildoma ismoka vaikui) (bch00_s)	Y	110	125	137	155	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
birth grant (vienkartine ismoka gimus vaikui) (bchba_s)	Y	9	10	11	13	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	11	11	11	NaN	0.86	0.93	1.02	NaN
benefit for multiple birth families (ismoka gimus daugiau nei dviem vaikams) (bchmp_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	2	2	2	NaN	0.19	0.21	0.22	NaN
student's childcare benefit (bmaed_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	2	2	3	NaN	0.00	0.00	0.00	NaN
universal child benefit (universalio vaiko ismoka) (bchnm_s)	Y	444	494	547	614	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	426	482	536	NaN	1.04	1.03	1.02	NaN
guardianship benefit (globos (rupybos) ismoka) (bchor)	N	14	14	14	14	14	14	14	14	1.00	1.00	1.00	1.00	12	21	25	NaN	1.16	0.64	0.54	NaN
admin (bchot)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
education-related allowances (bed)	N	19	19	19	19	19	19	19	19	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
sickness benefits (bhl)	N	512	580	653	709	512	512	512	512	1.00	1.13	1.28	1.38	403	431	437	NaN	1.27	1.34	1.49	NaN
sickness for childcare during Covid (bhl_s)	Y	0	0	0	0	512	512	512	512	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
pregnancy grant (vienkartine ismoka nesciai moteriai) (bmaprnc_s)	Y	2	2	2	2	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1	1	1	NaN	1.75	1.81	2.22	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
maternity leave benefit (motinystes ismoka) (bmaprct_s)	Y	87	98	110	120	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	90	93	96	NaN	0.96	1.06	1.14	NaN
childcare benefit (vaiko prieziuros ismoka) (bmact_s)	Y	265	299	385	422	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	251	274	303	NaN	1.06	1.09	1.27	NaN
paternity leave benefit (tevystes ismoka) (bpact_s)	Y	24	27	31	33	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	18	20	21	NaN	1.34	1.37	1.47	NaN
unemployment insurance benefit (nedarbo draudimo ismoka) (bunct_s)	Y	171	190	215	242	266	266	266	266	0.64	0.71	0.81	0.91	279	297	387	NaN	0.61	0.64	0.56	NaN
long-term work benefit (bunct01_s)	Y	8	9	10	12	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
temporary Covid-related instrument (bunnc_s)	Y	93	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
severance pay (yunsv)	N	189	214	240	261	189	189	189	189	1.00	1.13	1.28	1.38	333	NaN	NaN	NaN	0.57	NaN	NaN	NaN
Covid compensation for the self-employed (ysemc_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee1_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee2_s)	Y	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
benefit for a single person (bsg_s)	Y	33	99	107	118	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Payment to persons engaged in agricultural activities: admin (bot01)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Partial employment benefit: admin (bunct02)	N	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Child maintenance allowance: admin (yptmp)	N	81	92	104	112	81	81	81	81	1.00	1.13	1.28	1.38	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.7. Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Decile 1	2.75	2.79	2.82	2.91	2.60	2.40	NaN	NaN	1.06	1.16	NaN	NaN
Decile 2	4.46	4.53	4.60	4.65	4.20	4.30	NaN	NaN	1.06	1.05	NaN	NaN
Decile 3	5.49	5.56	5.62	5.64	5.30	5.40	NaN	NaN	1.04	1.03	NaN	NaN
Decile 4	6.47	6.52	6.57	6.67	6.30	6.40	NaN	NaN	1.03	1.02	NaN	NaN
Decile 5	7.53	7.56	7.59	7.60	7.40	7.60	NaN	NaN	1.02	0.99	NaN	NaN
Decile 6	8.71	8.73	8.74	8.74	8.60	8.80	NaN	NaN	1.01	0.99	NaN	NaN
Decile 7	10.23	10.12	10.18	10.20	10.00	10.30	NaN	NaN	1.02	0.98	NaN	NaN
Decile 8	12.09	12.11	12.11	12.08	12.10	12.30	NaN	NaN	1.00	0.98	NaN	NaN
Decile 9	15.07	15.09	15.01	15.02	15.30	15.40	NaN	NaN	0.99	0.98	NaN	NaN
Decile 10	27.20	26.98	26.77	26.49	28.10	27.20	NaN	NaN	0.97	0.99	NaN	NaN
Median	9,869	11,031	12,431	13,550	10,195	11,284	NaN	NaN	0.97	0.98	NaN	NaN
Mean	11,331	12,689	14,223	15,458	12,677	13,865	NaN	NaN	0.89	0.92	NaN	NaN
Gini	34.85	34.50	34.10	33.71	36.20	35.70	NaN	NaN	0.96	0.97	NaN	NaN
S80/20	5.86	5.75	5.63	5.49	6.39	6.32	NaN	NaN	0.92	0.91	NaN	NaN

Table A3.8. At-risk-of-poverty rates (%) by sex and age

	EUROMOD				External				Ratio			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
40% median HDI by sex												
Total	6.42	6.25	6.05	5.14	7.20	7.40	NaN	NaN	0.89	0.84	NaN	NaN
Males	7.08	7.16	7.00	6.27	7.70	8.00	NaN	NaN	0.92	0.89	NaN	NaN
Females	5.84	5.47	5.22	4.16	6.70	6.90	NaN	NaN	0.87	0.79	NaN	NaN
50% median HDI by sex												
Total	11.59	10.88	10.76	10.53	12.80	13.00	NaN	NaN	0.91	0.84	NaN	NaN
Males	10.33	10.03	10.05	9.68	11.10	12.20	NaN	NaN	0.93	0.82	NaN	NaN
Females	12.70	11.62	11.37	11.27	14.20	13.70	NaN	NaN	0.89	0.85	NaN	NaN
60% median HDI by sex												
Total	19.23	18.39	18.09	17.58	20.90	20.60	NaN	NaN	0.92	0.89	NaN	NaN
Males	16.80	16.02	15.69	15.00	17.80	18.60	NaN	NaN	0.94	0.86	NaN	NaN
Females	21.35	20.46	20.18	19.82	23.60	22.30	NaN	NaN	0.90	0.92	NaN	NaN
70% median HDI by sex												
Total	27.33	26.42	26.59	25.97	28.40	27.20	NaN	NaN	0.96	0.97	NaN	NaN
Males	24.08	23.60	23.66	23.03	25.00	24.40	NaN	NaN	0.96	0.97	NaN	NaN
Females	30.16	28.88	29.15	28.53	31.30	29.60	NaN	NaN	0.96	0.98	NaN	NaN
60% median HDI by age group												
0-15 years	14.73	14.45	14.89	13.85	16.50	17.10	NaN	NaN	0.89	0.85	NaN	NaN
16-24 years	15.58	15.46	14.73	14.45	18.10	19.30	NaN	NaN	0.86	0.80	NaN	NaN
25-49 years	12.60	12.41	12.14	11.50	13.50	13.50	NaN	NaN	0.93	0.92	NaN	NaN
50-64 years	18.51	17.71	17.50	17.27	19.10	20.20	NaN	NaN	0.97	0.88	NaN	NaN
65+ years	36.07	33.36	32.51	32.20	39.50	36.10	NaN	NaN	0.91	0.92	NaN	NaN

Table A3.9. Consumption taxes (non-calibrated) - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Consumption-tax-related statistics non-calibrated (ils_extstat_ittncal)													
Aggregate expenditures non-calibrated (ils_extstat_ittncal_il_itt_expnc)													
01 Food and non-alcoholic beverages (il_x01)	Y	6,536	7,322	8,223	8,958	6,670	7,608	7,608	7,608	0.98	0.96	1.08	1.18
02 Alcoholic beverages, tobacco, etc. (il_x02)	Y	874	975	1,093	1,188	1,849	2,100	2,100	2,100	0.47	0.46	0.52	0.57
03 Clothing and footwear (il_x03)	Y	1,813	2,018	2,254	2,448	1,497	1,774	1,774	1,774	1.21	1.14	1.27	1.38
04 Housing, water and fuel (exc. imputed rent) (il_x04)	Y	2,831	3,181	3,576	3,899	2,573	3,390	3,390	3,390	1.10	0.94	1.05	1.15
05 Furnishings, household equipment, etc. (il_x05)	Y	1,360	1,520	1,705	1,856	2,315	2,585	2,585	2,585	0.59	0.59	0.66	0.72
06 Health (il_x06)	Y	1,675	1,885	2,119	2,308	1,844	1,912	1,912	1,912	0.91	0.99	1.11	1.21
07 Transport (il_x07)	Y	2,625	2,925	3,266	3,542	4,939	6,452	6,452	6,452	0.53	0.45	0.51	0.55
08 Communications (il_x08)	Y	910	1,019	1,142	1,243	811	886	886	886	1.12	1.15	1.29	1.40
09 Recreation and culture (il_x09)	Y	1,391	1,553	1,737	1,890	2,451	3,147	3,147	3,147	0.57	0.49	0.55	0.60
10 Education (il_x10)	Y	242	269	298	323	201	212	212	212	1.20	1.27	1.41	1.53
11 Hotels and restaurants (il_x11)	Y	705	784	879	957	1,267	1,771	1,771	1,771	0.56	0.44	0.50	0.54
12 Miscellaneous good and services (il_x12)	Y	1,283	1,434	1,607	1,748	3,390	4,201	4,201	4,201	0.38	0.34	0.38	0.42
Revenue from indirect taxes (non calibrated) (ils_extstat_ittncal_il_itt_revnc)													
VAT Total Revenue (il_tva)	Y	3,362	3,689	4,136	4,585	4,688	5,644	5,644	5,644	0.72	0.65	0.73	0.81
Excises Total Revenue (il_tx)	Y	839	756	919	1,032	1,647	NaN	NaN	NaN	0.51	NaN	NaN	NaN
Total excises (non calibrated) (ils_extstat_ittncal_il_itt_excnc)													
Revenues Excises 0211 - Spirits (il_tx0211)	Y	57	62	69	76	272	NaN	NaN	NaN	0.21	NaN	NaN	NaN
Revenues Excises 02121 - Still Wine (il_tx02121)	Y	38	42	48	41	49	NaN	NaN	NaN	0.77	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Revenues Excises 02122 - Sparkling Wine (il_tx02122)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Revenues Excises 0213 - Beer (il_tx0213)	Y	28	30	33	38	97	NaN	NaN	NaN	0.29	NaN	NaN	NaN
Revenues Excises 022 - Tobacco (il_tx022)	Y	166	186	215	236	321	NaN	NaN	NaN	0.52	NaN	NaN	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045)	Y	14	8	7	38	7	NaN	NaN	NaN	2.08	NaN	NaN	NaN
Revenues Excises 0451 - Electricity (il_tx0451)	Y	4	3	3	4	2	NaN	NaN	NaN	2.53	NaN	NaN	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521)	Y	4	2	1	1	4	NaN	NaN	NaN	1.00	NaN	NaN	NaN
Revenues Excises All Energy (il_tx045_072)	Y	551	436	555	642	907	NaN	NaN	NaN	0.61	NaN	NaN	NaN

Table A3.10. Consumption taxes (calibrated) - Annual amounts (millions)

	Simulated (Y / N)	EUROMOD				External				Ratio			
		2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Consumption-tax-related statistics calibrated (ils_extstat_ittcal)													
Revenue from indirect taxes (calibrated) (il_itt_revc)													
VAT Total Revenue (il_tva_na)	Y	4,531	5,339	5,803	6,085	4,688	5,644	5,644	5,644	0.97	0.95	1.03	1.08
Excises Total Revenue (il_tx_na)	Y	1,632	1,641	1,945	2,019	1,647	NaN	NaN	NaN	0.99	NaN	NaN	NaN
Total excises (calibrated) (il_itt_excc)													
Revenues Excises 0211 - Spirits (il_tx0211_na)	Y	121	134	143	149	272	NaN	NaN	NaN	0.44	NaN	NaN	NaN
Revenues Excises 02121 - Still Wine (il_tx02121_na)	Y	80	89	99	80	49	NaN	NaN	NaN	1.62	NaN	NaN	NaN
Revenues Excises 02122 - Sparkling Wine (il_tx02122_na)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Revenues Excises 0213 - Beer (il_tx0213_na)	Y	59	65	70	74	97	NaN	NaN	NaN	0.60	NaN	NaN	NaN
Revenues Excises 022 - Tobacco (il_tx022_na)	Y	351	401	448	461	321	NaN	NaN	NaN	1.09	NaN	NaN	NaN
Revenues Excises 045 - Energy (electricity, natural gas, coal-coke) (il_tx045_na)	Y	13	9	7	36	7	NaN	NaN	NaN	1.89	NaN	NaN	NaN
Revenues Excises 0451 - Electricity (il_tx0451_na)	Y	4	3	3	4	2	NaN	NaN	NaN	2.30	NaN	NaN	NaN
Revenues Excises 04521 - Natural Gas (il_tx04521_na)	Y	3	2	1	1	4	NaN	NaN	NaN	0.91	NaN	NaN	NaN
Revenues Excises All Energy (il_tx045_072_na)	Y	1,022	951	1,184	1,255	907	NaN	NaN	NaN	1.13	NaN	NaN	NaN

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