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LITHUANIA (LT)
2020-2023

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CONTENTS

1. BASIC INFORMATION

1.1. Basic information about the tax-benefit system

- The Lithuanian benefit system is organized mainly on the state level. Municipalities provide a few local benefits based on local rules. These include municipal support that is given to families in need (e.g. asocial or dysfunctional families). In other cases, municipal authorities set parameters that indicate local living standards, but are used by state defined benefits or tax programs[1].

- Tax-benefit system is a unified national system in Lithuania. The one exception is business certificate (see more details on this type of taxation in chapter 1.6), which acquisition price varies across municipalities.

- The "fiscal year" runs from 1st January to 31st December.

- Main benefit and tax changes often happen at different times of the fiscal year, i.e. such as 1st July. For example, basic pension amount and minimum monthly salary are usually changed as of 1st July.

- Retirement age: The statutory retirement age in Lithuania is increased gradually to reach 65 years for both men and women by 2026. The state pension age on 30th June, 2005 was 59.5 for women and 62.5 for men. As of 2006: 62.5 and 60 respectively. It did not change during the course of 2006-2011. Since 1st January 2012 the state pension age gradually increases by 4 months yearly from 60 to 65 years for women and by 2 months yearly from 62.5 to 65 years for men. Effectively, the state pension age on 30th June, 2012 was 60 years and 4 months for women and 62 years and 8 months for men. For all the changes in pension age for women and for men from 2020 until 2026 see Table 1.1.

Table 1.1. Pension age for women and men effective on June 30, 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 age 7 to 16. The age of majority is 18[2].

- *Dependent child* definition:

  a. By default, the "*dependent child*" status is lost (unless recognized by the court otherwise) if a person has a partner (married or legally cohabitating) or becomes a parent herself.

  b. Generally, *for tax and benefit purposes*, dependent children are own or adopted children (except fostered children) under 18 years of age.

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[1] For example, provision of cash social assistance is administered by municipalities with some discretion on defining eligibility and exceptions from the general rules. The general rules, nevertheless, are set at the country level.

[2] 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.

    c. *For benefit purposes*, persons between ages 18 up to 21 years old are *often* considered to be dependent children, if they are (a) unmarried and not living together with another person, (b) not parents themselves, and (c) full-time pupils and students of general education schools or other institutions of formal education, as well as persons from the day of finishing general education schools which they attended as full-time pupils until 1st September of the same year. The precise "dependent child" definition is usually a benefit specific definition, and could cover different conditions, as in the two examples below:

- For social assistance, persons up to the age of 24, (unless married, living together with another person or parents themselves) if unemployed or studying full-time, can only be treated as dependent children, therefore, restricting their rights to claim the benefit as a "single person".

- For child benefit purposes, enrolment in full-time secondary education is required for children at the age of 18 or older, who are raised in families with up to two children. Children up to the age of 24 are eligible, if raised in families with three or more children and enrolled in secondary, vocational, post-secondary or higher education.

    d. For *tax purposes*, dependent children are defined as children under the age of 18 or older, if in full-time secondary education.

- Lone parent is defined as a parent of a dependent child, not legally married or officially cohabiting (cohabitation is approved by the official contract) to anyone.

- The income tax system is an individual system, with the spouses being assessed independently.

- Taxpayers can fill a tax return form in order to make deductions from income tax or to return unused annual tax allowance at the end of the financial year, although it is not obligatory, unless in cases of gaining non-work related income.

- Generally, no statutory indexing regimes are applied for Lithuanian benefits or taxes. Indexation of benefits is agreed on annually on an ad-hoc basis, conventionally on an annual base.

- The means-tested benefit system assesses entitlement according to the average per capita monthly income of benefit unit according to the last three or twelve months' income history. The benefit unit is the nuclear family - the married couple or single adult plus any dependent children.

- Since 1st January 2015, the national currency is EUR.

- *Commonly used parameters and definitions*

Social benefits, pensions and compensations are often calculated in relation to reference amounts, as indicated below.

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. Table 1.2 shows BSA levels which were effective on 30th June 2020-2023.

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. Table1.2. shows SSI levels which were effective on 30th June 2020-2023.

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 package[3]. Table 1.2 shows CBN levels which were effective on 30th June 2020-2023.

Table 1.2. Monthly BSA, SSI and CBN levels effective on 30th June 2020-2023, EUR

	2020	2021	2022 1st January	2022 1st June	2023
Basic Social Allowance (BSA)	39	40	42	46	49
State Supported Income (SSI)	125	128	129	147	157
Cost of Basic Needs (CBN)	257	260	267		354

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 Law on Social Insurance of Occupational Accidents and Occupational Diseases*;
- unemployment and partial employment social insurance benefits payable in accordance with *the Law on Unemployment Social Insurance*.[4] Partial employment benefits are introduced since July 2017. Since 2018, the unemployment insurance benefit is excluded from insured income list and is not taxable.

There were no major changes made to the insured income list during the period of 2020-2023.

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[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.
[4] Insured income is defined by the "Lietuvos Respublikos Valstybinio socialinio draudimo įstatymas".

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 rely on AMII which is based on the averaged income calculated over the last 12 months period (excluding the month the benefit is claimed).[5] 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 2023.

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 into *reference points (RP)*, which are to be automatically indexed each year using an *indexation coefficient (IC)*. The RP is equal to 12 average monthly salaries earned during before retirement 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. The IC is also used for indexing the basic pension part. Since January 1st 2022, individual indexation coefficient has been introduced to index individual pension part as well[6]. Since 1st June 2022, RP and IIC have been increased as part of anti-inflation measure package[7].

Table 1.3. RP and IC amounts, 30th June 2020-2023, EUR

	2020	2021	2022 1st January	2022 1st June	2023
Reference Points (RP)	3.81	4.17	4.70	4.94	5.70
Indexation Coefficient (IC)	1.0811	1.0958	1.0847		1.0902
Individual Indexation Coefficient (IIC)			1.0424	1.05*	1.0580

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

Basic monthly pension (*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 (*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' pensions[8]. Due to anti-inflation measures package, the APB has been increased twice in 2022[9].

Table 1.4. Basic monthly pension, social assistance pension base 30th June 2020-2023, EUR

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[5] 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

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

[77] Based on the following law "Lietuvos Respublikos Valstybinio socialinio draudimo fondo biudžeto 2022 metų rodiklių patvirtinimo įstatymas". 2021-12-14 Nr. XIV-749.

[8] 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

[9] 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

	2020	2021	2022 1ˢᵗ January	2022 1ˢᵗ June	2023
Basic monthly pension (BMP)	180.95	198.29	215.09	225.84	246.21
Assistance pension base (APB)	140	143	150	173	184

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.

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 2020-2023 are indicated below:

Table 1.5. State pension base minimum and average monthly salary, 30ᵗʰ June 2020-2023, EUR

	2020	2021	2022 1ˢᵗ January	2022 1ˢᵗ June	2023
State pension base (SPB)	58	58.70	59.35	65.29	68.29
Minimum monthly salary (MMS)	607	642	730		840
Average monthly salary (AMS)	1241.4	1352.7	1504.1		1684.9
Average monthly salary of the previous quarter (AMSp)	1346.7	1512.3	1666.9		1787.1

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 Law: "Lietuvos Respublikos valstybinio socialinio draudimo fondo biudžeto 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.

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 2.6.3).

1.2. Social Benefits

- ### *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.[10] No changes were made until 2023.

Child benefit (*išmoka vaikui*): since January 1ˢᵗ 2018, universal child benefit of 0.79 BSA per child introduced to all families raising children aged less than 18 years old or until the age of 21 if in full-time education[11]. Since January 1ˢᵗ 2019, universal child benefit is 1.32 BSA, for disabled

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[10] 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

[11] Based on the following law "Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 pakeitimo įstatymas". 2017-12-05. Nr. XIII-822: https://www.e-tar.lt/portal/legalAct.html?documentId=83931f10e3f111e7b3f0a470b0373cb2

child 1.84 BSA. As of January 1st 2020, the benefit amount was increased by up to 1.54* BSA for all children irrespective to the child's disability level. Since January 1st, 2021, the benefit was further increased by up to 1.75*BSA. Since January 1st, 2022, universal child benefit is also paid for families with children up 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 childbirth[12]. Since June 2022 the child benefit amounts to 80.5 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. No changes in 2023.

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 disability status. Additional child benefit is paid for children under one of described conditions: families raising children with household income below a set income threshold; for families with three and more children; for families raising disabled children. Benefits cannot duplicate. Since January 1st, 2021, dependent adult children are also those in full-time higher/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 year. Since January 1st, 2022, additional child benefit is also paid for families with children up 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 childbirth[13]. 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. No changes in 2023.

Student's childcare benefit (*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 graduation[14]. The benefit is paid to one of the parent who studies (studied) in full time formal vocational training or higher education programme until reaches the age of 26, or studies (studied) in doctoral studies or medical residency until reaches the age of 30 and according to *the Law on Sickness and Maternity Social Insurance* and is not entitled to 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 is paid until the child reaches the age of 1 year. If two or more children are born (adopted) the amount of the student's childcare benefit does not increase. In 2019 the benefit amount was 6 BSA[15]. Since January 1st 2020, the payment period of the benefit was extended - the amount of 6

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[12] 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=964f55405d9311eca9ac839 120d251c4

[13] 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=964f55405d9311eca9ac839 120d251c4

[14] 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

[15] Based on the following law "Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 pakeitimo įstatymas". 2017-12-05. Nr. XIII-822: https://www.e-tar.lt/portal/legalAct.html?documentId=83931f10e3f111e7b3f0a470b0373cb2

BSA was paid until child is 2 years old[16]. Since January 1st, 2021, the age limit was abolished for parents who study (studied) in full-time vocational/higher educational and doctoral/medical residency studies[17]. Since January 1st, 2022, student's childcare benefit is also paid for students who are in full-time general education[18]. Furthermore, to avoid double granting of the benefit for a later born / adopted / foster child has been adjusted – the benefit for another child is paid for the care of the youngest child after the first child reaches the age of 2. No changes in 2023.

Benefit for multiple-birth families (*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 children[19]. The benefit level is calculated in relation to BSA and varies based on the number of children born at the same time. The benefit is paid from the birth of the children until the children reach the age of 2 years. The benefit for parent paid in the amount of 4 BSA per month. If more than two children are born at the same time, the benefit amount increases respectively by 4 BSA. No changes in 2020-2023.

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. The level of the benefit did not change during the course of 2020-2023. 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)*: since 1st January 2017, the targeted guardianship subsidy is paid to a child's guardian (curatorship) per child whom guardianship is established for a family or a family-type institution.[20]Since January 1st, 2022, the guardian benefit amount is differentiated according to the age and needs of the child under guardianship: 5.2 BSI for children under 6 years of age, 6 BSI for children 6-12 years of age, for children 12-8 years of age, disabled children and former wards up to the age of 24, whose custody (care) ends due to their age, emancipation, marriage, or because they are in education, the benefit of 6.5 BSI per month[21]. The payment of 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 23. No changes in 2023.

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[16] Based on the following law "Lietuvos Respublikos išmokų vaikams įstatymas": https://www.e-tar.lt/portal/lt/legalAct/TAR.1DEDD43B92AE/asr

[17] 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

[18] 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

[19] 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

[20] 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=8e886460a8ad11e5be7fbe3f919a1ebe

[21] 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/lt/legalAct/964f55405d9311eca9ac839120d251c4

Temporary childcare allowance (*vaiko laikinosios priežiūros išmoka*): since January 2020, a newly introduced benefit of 6 BSA per month for temporary childcare[22]. Benefit is paid based in accordance with *the Law on Fundamentals of Protection of the Rights of the Child,* when the need for child protection is determined by a person, who is in temporary care of a child. The temporary childcare allowance will not be granted if the request is made by child's parents or other legal representatives. The benefit is paid throughout the period of temporary care. No changes were made afterwards.

Grant for housing (settlement) *(vienkartinė išmoka įsikurti):* a lump sum of 75*BSA is given to a child upon the expiration of a guardianship due attaining the legal age of 18, emancipation, or contracting a marriage. The benefit is given to purchase a dwelling or to cover accommodation related expenses. The benefit cannot be paid in cash unless the unused part of the grant is less than 1*BSA. Since January 1st, 2019, the benefit is also given to purchase a vehicle if the person holds a valid driving license confirming the person's right to drive a motor vehicle of category B or B1. No changes were made in 2020-2021. Since January 1st, 2022, the list of grants for housing (settlement) has been extended. The lump sum can be used for a moped, motorcycle, if the person has a valid driving license confirming the person's right to drive a motor vehicle, bicycle, motor scooter or scooter without a motor[23]. No changes were made afterwards.

Pregnancy grant *(vienkartinė išmoka nėščiai moteriai):* a lump-sum benefit to a pregnant woman who is not eligible to receive a maternity leave benefit. The grant amounts to 2*BSA and is paid 70 days before the term of child birth. As of January 1st, 2020, the amount of pregnancy grant was set to 6.43*BSA[24]. No changes afterwards.

Social assistance benefit (socialinė pašalpa)**:** granted to families or single persons if they pass established eligibility, assets, and income tests. Since 1st January 2012 several changes were introduced: equivalence scales for benefit amount, reduction of benefit amount for long-term dependants on social assistance benefit and payment of social assistance benefit for former long-term unemployed during the first 6 months of employment, etc.[25]

Since January 1st 2019 the partial payment of the social assistance benefit for those beneficiaries who get employed was extended from 6 to 12 months. Since January 1st 2019, children (adoptees) older than 18 years old are also included in the household composition. As of January 1st 2020 there were changes in the income test design: 70% of income from self-employment (except self-employment income of persons under the age of 18) is included in the income test; temporary childcare allowance is not included in the income test.

Due to the coronavirus (Covid-19) the eligibility conditions for social assistance benefit were temporary eased, the level of income disregard was increased by 5 p.p. and the assets' test is temporary not applied during the state of emergency and for 6 months more after the end of quarantine. Lastly, the amount of social assistance benefit is increased as well. Since January 1st, 2021, temporary changes in social assistance benefit design during Covid-19 pandemic in 2020

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[22] 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.

[23] 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.

[24] 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". 2019-12-17. Nr. XIII-2693. https://www.e-tar.lt/portal/lt/legalAct/41c36f802ad111eabe008ea93139d588

[25] Based on the following law 2011-12-01, No. XI-1772 „Lietuvos Respublikos Piniginės socialinės paramos nepasiturinčioms šeimoms ir vieniems gyvenantiems asmenims įstatymo pakeitimo įstatymas". 2011-12-20, No. 155-7353.

became permanent measures in 2021. Only exception is the assets' test, which will be not applicable. Nonetheless, due to the 2nd quarantine (officially since 7th of November 2020), the assets' test is temporarily not applied again for another 6 months after then end of 2nd quarantine. No changes in 2022. Since January 1st, 2023, the assets test is not applied until 30th of April, 2024.

State social assistance benefits/pensions (*valstybinės šalpos išmokos*): there are five types of social assistance benefits/pensions: social assistance pensions; orphan's social assistance pension; targeted compensations for nursing expenses; nursing allowances; relief compensations. Social assistance benefits/pensions are calculated in relation to a *basic monthly pension (BMP)* (see Table 1.4.). Since January 1st, 2022, state social assistance pension is paid irrespective of the fact that the person is paid a social insurance pension[26]. No major changes in 2023.

Compensations for special working conditions (*kompensacijos už ypatingas darbo sąlygas*) are paid to people who have worked in hazardous jobs. Since January 1st 2018, the monthly compensation is equal to 136.4 % of the basic monthly pension (see Table 1.4.)[27]. No major changes in 2019-2023.

Burial Benefit (*laidojimo pašalpa*): non-contributory lump-sum benefit (equal 8 BSA in 2011-2022) for the family member of the deceased or for another individual who arranges a burial.

Repatriation Benefit (*parama palaikams parvežti*): is a means-tested benefit for the repatriation of remains to Lithuania. The benefit of maximum 54 BSA is paid if average household's income does not exceed 3 SSI. No changes in 2023.

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, prizemen of Olympic Games, etc.), if these persons have attained an old-age retirement age or have partially or fully lost their capacity to work. The limit for assigning new state pensions is not more than 15 new degree one pensions and not more than 45 new degree two pensions per year. 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.). Since January 1st, 2018, foster mothers, and foster fathers, who raised 5 or more children, are also entitled to state pensions of degree two[28]. Since January 1st, 2021, state pensions of degree two is not entitled for mothers/fathers: due to abuse of alcohol, narcotic, psychotropic or toxic substances, addiction to gambling, psychological, physical or sexual abuse of his/her children (adopted children) or use state support for non-family interests at least one of his/her children (adoptee) grows up or grows up in a family experiencing social risk; they or at least one of their children (adopted) has been convicted of a serious or very serious crime before the age of majority or emancipation, whether or not the conviction has ceased to exist (except in cases where the adopted child has committed a very

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[26] Based on the following law "ietuvos Respublikos šalpos pensijų įstatymo Nr. I-675 10 ir 15 straipsnių pakeitimo įstatymas". 2021-03-30, Nr. XIV-230.
[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.
[28] Based on the following law: 2007-03-14, No. 255 „Dėl Lietuvos Respublikos pirmojo ir antrojo laipsnių valstybinių pensijų skyrimo ir mokėjimo nuostatų patvirtinimo".2017, No. 33-1198.

serious or serious crime); was convicted before adoption); she/he or at least one of his or her children (adopted) has been convicted of a minor crime[29]. Since 1st of June 2022, an additional increase of 10% has been introduced as part of anti-inflation package. No changes in 2023.

State pensions for victims (*nukentėjusiųjų asmenų valstybinės pensijos*) are given 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 attained an old-age 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. Since 1st of June 2022, an additional increase of 10% has been introduced as part of anti-inflation package. Since January 1st, 2023, state pensions for victims have been increased in relation to *state pension base*.

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 assigned pension amount is calculated based on the service record and former wage. Since July 1st, 2020, awarded officers, soldiers who became disable due to their service, training, exercises, or performance of duties shall be paid a state pension for incapacity to work: 1) 75-100% of lost work capacity – 2*PB; 2) 60–70% of lost work capacity – 1.5*PB; 3) 45–55% - 0.75*PB[30]. Since July 1st, 2020, if a compulsory military servant dies due to the curse of service, widows and orphans are entitled to a widow's and orphan's pension, equal to the state disability pension for officers and soldiers, who have lost 60-70% of their work capacity. Since July 1st, 2020, state pensions for those receiving pensions lower than 124.54 EUR were increased by 9-10% depending on the date of retirement (pension award), but no more than by 124.54 EUR. Since 1st of January 2022, state pension for officers and soldiers have been in increased by 1.1% and since 1st of June – by an additional 5% as part of the anti-inflation measures package. Since January 1st, 2023, state pensions for officials and soldiers have been indexed by 4.6%.

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 given to individuals with an academic degree or title and at least a 10-year career of a doctor or habilitated doctor at the age of old-age pension or having lost 60–100% of their capacity for work. The size of the pension depends on the insurance record and is calculated in relation to the *state pension base* (see Table 1.5.). Pension for scientists cannot be combined with insured income, including other non-pension social insurance benefits[31]. Since 2021 state pension for scientists can be received only if the person is retired and does not perform scientific work. Since 1st of June, the additional increase of 10% has been introduced as part of anti-inflation package. Since January 1st, 2023, state pensions for scientists have been increased in relation to *state pension base*.

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[29]Based on the following law: 'Lietuvos Respublikos valstybinių pensijų įstatymo Nr. I-730 4 straipsnio pakeitimo įstatymas'. No. XIII-3212, 2020-06-30. https://www.e-tar.lt/portal/legalAct.html?documentId=028baa40c1cf11ea9815f635b9c0dcef

[30]Based on the following law: 'Lietuvos Respublikos pareigūnų ir karių valstybinių pensijų įstatymo Nr. I-693 1, 9, 10, 12 ir 16 straipsnių pakeitimo įstatymas'. No. XIII-3185, 2020-06-26.

[31] Based on the following law: 2016-06-29, No. XII-2517,,Lietuvos Respublikos mokslininkų valstybinių pensijų laikinojo įstatymo Nr. I-732 3 straipsnio pakeitimo įstatymas". 2016, No. 20652

State pensions for judges *(teisėjų valstybinės pensijos)* are awarded to the retiring 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, 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. Since 1st of June, the additional increase of 5% has been introduced as part of anti-inflation package. Since January 1st, 2023, state pensions for judges have been indexed by 4.6%.

President of the Republic of Lithuania spouse's state pension (*Lietuvos Respublikos sutuoktinio valstybinė pensija)* Since 27th September 2017 President's spouse state pension is given to the spouses entitled to the state pension or President's authorized representative or guardian[32]. The spouses are entitled to the pension if they do not receive insured income and carries out the public and (or) the diplomatic protocol of matrimonial functions in the last 3 years. The amount of the pension is equal to 15% of the President's monthly salary. Since July 2020, pension amount is equal to 11.64% of the President's monthly salary[33]. The pension is also paid if a spouse has 60% of working capacity or less. No changes in 2022.

President of the Republic of Lithuania orphan's state pension (*Lietuvos Respublikos sutuoktinio našlaičių valstybinė pensija***)** is given to the President's orphan children, who either are: below the of 18; or above the age of 18 years old and disabled; or above the age of 18 years old and are full-time students, up to the age of 24. The amount per child is equal to 30% of the President's monthly salary. No changes in 2022-2023.

- *Contributory benefits*

Taxable contributory benefits:

Maternity leave benefit (*motinystės išmoka***):** a lump sum benefit paid to a pregnant woman who has a right 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 was equal to 100% of the recipient's average monthly insured income (AMII) (see section 2.9. for more details) with minimum amount specified. Since January 1st 2019, due to tax reform, the maternity benefit is equal to 77.58 % of the recipient's compensatory income. Since January 1st 2020, maternity leave benefit is also paid for those mothers who had no less than 12 months over the last 24 months, but were not employed or insured during pregnancy period. Since January 1st, 2021, the maternity benefit amount will not be reduced if a person receives income from self-employment during maternity benefit payment period. Since January 1st, 2021, self-employed persons are eligible to receive maternity benefit if they have paid social insurance contributions from at least 1 MMS on a monthly basis and have required insurance period for maternity benefit. No changes in 2022-2023.

Paternity leave benefit (*tėvystės išmoka***):** a lump sum benefit, which is effective since 1st July 2006 and is granted on the basis of *the Law on Sickness and Maternity Social Insurance*. This benefit could be claimed by a father for the first month of childcare (from the child birth until the child reaches the age of one month). The benefit is granted on the basis of *the Law on Sickness*

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[32] Based on the following law, 2016-09-21, No. 24035 ,, Dėl Lietuvos Respublikos Prezidento sutuoktinio valstybinės pensijos skyrimo ir mokėjimo nuostatų patvirtinimo".

[33] Based on the following law "Lietuvos Respublikos valstybinių pensijų įstatymo Nr. I-730 15-1 straipsnio pakeitimo įstatymas"

and Maternity Social Insurance if a person before the first day of paternity leave had no less than 12 months over the last 24 months of sickness and maternity social insurance record. The amount of paternity benefit was 100% of the benefit recipient's AMII (see chapter 2.4.5 for more details) with the minimum and maximum thresholds specified. The amount of the benefit is reduced if additional income (eligible for sickness and maternity social insurance contributions) is received. Since January 1st, 2018 the minimum paternity leave benefit amount (floors) could not be lower than 6 BSA[34]. The maximum paternity leave benefit amount (ceilings) could not exceed 2 AMPs (see Table 1.5). Since January 1st 2019, due to tax reform, the paternity benefit is equal to 77.58% of the recipient's compensatory income. Since January 1st, 2020 fathers are able to take one-month paternity leave during the first year of parenting (not during first three months as previously). As of January 1st, 2021, the paternity benefit amount will not be reduced if a person receives income from self-employment during paternity benefit payment period. Since January 1st, 2021, self-employed persons are eligible to receive paternity benefit if they have paid social insurance contributions from at least 1 MMS on a monthly basis and have required insurance period for paternity benefit. No changes in 2022. Since 1st January 2023, the mandatory social insurance record for paternity benefit has been reduced to 6 months over the last 24 months[35].

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. The benefit is paid to one of the parents (adoptive parents) or a guardian until the child reaches the age of 1 year (or 2 years). The benefit is calculated in relation to AMII (see more details in section 2.11.) with minimum and maximum levels specified. Beneficiaries may choose the duration of leave (1 or 2 years) and this is tied to the different replacement rates of childcare benefit (100% if the option of 1 year leave is chosen or 70 % and 40% for first and second years). In case of child adoption, childcare benefit is paid for to one parent for 3 months. The benefit minimum and maximum levels were set according to national average monthly salary of the previous quarter and BSA levels[36]. Since January 1st, 2018 the minimum childcare benefit amount (floors) could not be lower than 6 BSA, while the maximum amount (ceilings) could not exceed 2 AMSp (see Table 1.5.)[37] . Since January 1st 2019, in case of adoption, child's grandparents are also eligible to receive childcare benefit. Since January 1st, 2019 due to the tax reform the compensation rate for 1 year benefit is equal to 77.58%, and for two years period compensation rate is 54.31% during the first year and 31.03% during the second year. Since January 1st 2020, if one of parents receiving childcare benefit qualifies for another childcare benefit for other child, she or he are paid both benefits, but the total amount the benefits cannot exceed 77.58% of the more favourable amount of the earnings on which these benefits are calculated. Since January 1st, 2021, self-employed persons who have acquired the right to childcare benefit, the benefit shall be paid regardless of their income from self-employment, i.e., the childcare benefit amount will not be reduced, if the person receives income from self-employment during the first year of benefit receipt. Since January 1st, 2021, self-employed persons become eligible to receive childcare benefit if they have paid social insurance contributions from at least 1 MMS on a monthly basis and have required insurance period for childcare benefit. Since January 1st 2022, in cases where a recipient of maternity leave and has given birth to more than one child or is caring for two or

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[35] Based on the following law: Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 1, 5, 11-1, 16, 19, 20, 22, 23, 24 straipsnių pakeitimo ir Įstatymo papildymo priedu įstatymas. No. XIV-1190

[36] Based on the following law: 2016-12-20, No. XIII-138 " Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 pakeitimo įstatymo Nr. XII-2501 1 ir 2 straipsnių pakeitimo įstatymas". 2016, No. 29842.

[37] Based on the following law: 'Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 2, 4, 6, 8, 9, 10, 11, 11-1, 14, 16, 22, 23 ir 30 straipsnių pakeitimo įstatymas'. No. XIV-752

more children at the same time, childcare benefit for others entitled to it may be granted from the date of birth of the child or from the first day after the end of parental leave[38]. 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 parents can choose between the two 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 of the parent has a right to use 2 non-transferable months with higher compensatory rate. The compensation rate for the two non-transferable months for each parent (or four months for a single parent) is 78%.

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 are calculated based on duration of insurance records and their amounts converted into reference points, and indexed on an annual basis.[39] 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 relative to full required[40]. Since January 1st, 2020, the pension bonus is paid as difference between 100% CBN and a sum of pensions. As of January 1st, 2021, persons, who were receipts of early retirement pension, the amount of old-age 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 pension[41]. For those who have received the early retirement pension longer than 3 years, the old-age pension is reduced by 0.32%, multiplied by the total number of months in which the person received the early retirement pension. Since January 1st, 2022, an additional indexation of the individual pension component has been introduced[42]. 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. 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 full part of the total basic pension. Since 1st of June 2022, the reference points (RP) and individual indexation coefficient (IIC) have been increased as part of anti-inflation measure package. RP is equal to 4.94, while IIC – 1.05. Since January 1st, 2023, the basic part of the pension in will increase by around 9%, and the individual part - by almost 15%. On average, the average old-age pensions will increase by around 12%.

Single person benefit (*vienišo asmens išmoka***):** Since July 1st, 2021, certain groups of pension/benefit beneficiaries are entitled to a single person benefit if they are eligible to the state social insurance pensions, social pension or bonuses on low pensions. The amount of the benefit in 2021 is 28.63 Eur. Since January 1st, 2022, the coverage of single person benefit is extended - single person benefit is granted to single adults with a working capacity level of 55% or less and

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[39] 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.

[40] Based on the following law: 2019-04-19, ,, Lietuvos Respublikos šalpos pensijų įstatymas". 2019. No. 96-1873

[41] Based 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.

[42] 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.

persons who have reached retirement age (the benefit is no longer linked to receipt of social assistance pension or social insurance old-age or incapacity pension)[43]. Since 1st January 2023, single person's benefit is indexed according to the same principle as state widow's pension base.

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, the calculation of early retirement old-age pension is indexed. As of January 1st, 2021, a reduction of 0.32% is applied for each month remaining until the retirement age[44]. January 1st, 2023, the basic part of the pension in will increase by around 9%, and the individual part - by almost 15%.

Work incapacity pension *(netekto darbingumo pensija)*[45]***:*** paid to a person for whom a certain level of incapacity for work is established. The pension varies according to the assessed degree of disability, as well as a person's contribution history. The *minimum* and *obligatory* insurance periods are defined based on a person's age. The work incapacity pension is calculated in analogy to the old age pension, its basic part is calculated in relation to the basic pension amount (see Table 1.4.). Work incapacity pensions is indexed and recalculated based the value of the previous pension, which is established by the pension reference points. As of January 1st, 2021, for persons, who were receiving early retirement pension, the amount of the work incapacity pension is not reduced if the person has received the early pension for not more than 3 years and has accumulated require contribution period[46]. For those who have received the early retirement pension longer than 3 years, the work incapacity pension is reduced by 0.32%, multiplied by the total number of months in which the person received the early retirement pension. Since January 1st, 2022, an 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. 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%. 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 The general part of the incapacity for work pension is calculated taking into account the level of incapacity for work and the ratio between insurance period acquired by the person and the required length of insurance for the old-age pension valid in the year of entitlement to the incapacity for work pension. If the ratio of the person's acquired insurance period to the required obligatory insurance period for a retirement pension is less than one, it is considered to be equal to one. Thus, the reduction of the general part of the work incapacity pension for persons who have acquired the minimum insurance period but do not have the obligatory insurance service has been refused. Since January 1st, 2023, part of the pension is increased based on the old-age pension indexation.

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

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[43] 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.

[44] 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

[45] Until 1st July 1, 2005 defined as invalidity *(invalidumo)* pension.

[46]Based 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.

lump-sum monthly amount. Survivor's and orphan's pensions is indexed and recalculated based the value of the pension reference points. Since January 1st, 2021, the orphan pension payment is more flexible for orphans who have completed the general education programs and started full-time higher education or vocational training, e.g., orphan's pension payments resumed when the orphan (re)starts full-time higher education/vocational training[47]. Since January 1st, 2022, as the orphan's pension is calculated based on the amount of work incapacity or old-age pension received previously by the deceased, same changes to the indexation and general calculation procedure apply to orphan's pensions as to old-age and work incapacity pensions[48]. Since January 1st, 2023, part of the pension is increased based on the old-age pension indexation.

Unemployment social insurance benefit (*nedarbo draudimo išmoka*) is a monthly benefit paid to the unemployed people if they have a sufficient unemployment social insurance record. The required service record is at least 12 months during the last 30 months and a person must be actively looking for a job. The benefit amount is comprised of fixed and variable components. Since January 1st, 2018, the amount of unemployment social insurance benefit cannot exceed 75% of the average monthly gross earnings (including salaries of individuals enterprises), published by the Lithuanian Statistics Department[49]. Since January 1st 2019, due to tax reform, the constant part of benefit is equal to 23.12%, while the variable parts for 3, 4-6 and 7-9 months are 38.79%, 31.03% and 23.27% accordingly. Since January 1st 2020, a person who receives unemployment social insurance benefit, is found as working illegally, must return the unemployment social insurance benefit for the period of illegal work. No changes in 2022. Since January 1st, 2023, 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.

Long-term work benefit (ilgalaikio darbo išmoka). The long-term work benefit is administered by Sodra. Employees, who have been employed for more than 5 years or more, in case of redundancy, are eligible to receive the long-term work benefits. The benefits are paid to all employees who have worked under employment contracts, except for those fired from budgetary institutions and the Central Bank. Benefits are paid to those employees who have been fired not earlier than July 1 in particular year. If an employee worked between 5 to 10 years, he/she gets benefit equal to 1 previous salary payment; 10-20 years – 2 previous salary payment; 20 years or more - 3 previous salary payment. The benefit is paid for those who were made redundant no earlier than July 1st, 2017. Since January 1st 2019, due to tax reform, the benefit equals to 77.58% of the person's average monthly gross earnings. Since January 1st, 2020, the long-term work benefit amount is calculated on the basis of the administrative data and on person's average insured income. No changes in 2021-2023.

Sickness benefit (*ligos išmoka*): granted on the basis of *the Law on Sickness and Maternity Social Insurance* and is given to people who have required social insurance coverage. The benefit is calculated on the basis of insured income (II) with maximum and minimum thresholds applied. The benefit is paid partly by the employer (for first two days) and partly by the State Social Insurance Fund (from the third day afterwards). Working grandparents, who satisfy the eligibility conditions, are able to get sickness benefits to take care for their sick grandchildren[50]. Since

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[47]Based on the following law: , ietuvos Respublikos valstybinių pensijų įstatymo Nr. I-730 9 straipsnio pakeitimo įstatymas'. No. XIII-3371, 2020-11-05

[48] 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". No. XIV-678, 2021-11-23.

[49] Based on the following law: 2017-12-21, No. XIII-945 "Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 5, 6, 8, 10 ir 11 straipsnių pakeitimo įstatymas". 2017, No. 21633

[50] Based on the following law: 2017-04-20, No. XIII-300 "Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 10 straipsnio pakeitimo įstatymas". 2017, No. 6977.

January 1st, 2019, the maximum compensatory earnings for the calculation of sickness benefit cannot exceed 2 times the national average monthly of the previous quarter salary (AMSp)[51]. Since January 1st 2019, sickness benefit, paid by the employer (for two days), cannot by lower than 62.06% and higher than 100% of receiver's average wage. 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 taking care of sick child – 65.94%[52]. The amount of sickness benefit cannot be lower than 11.64% of the national average income. Farmers, family-type guardianship institution, owner of individual enterprises and members of small communities, eligible for sickness benefits, benefit is paid regardless of previous income. Since January 1st, 2020, the sickness benefit is paid for the total period of 28 days once a year for those in addiction treatment healthcare institutions with addictions of pathological gambling and addiction for psychoactive substances. The sickness benefit is also paid for parents (grandparents, stepparents, carers) taking care of a sick child below the age 7 or 18 if a child is disabled due to sickness. The benefit is paid for the maximum of 120 days throughout the year. The sickness benefit is also paid for parents (grandparents, stepparents, carers) taking care of a child below the age of 18 if a child is in stationary medical institution and is suffering from serious or extremely serious illnesses. For the care of child with extremely serious illness, the sickness benefit is paid for the maximum of 364 days; for the care of a child with serious illness – for the maximum of 120 days throughout the year. Finally, since 2020, the sickness benefit is paid for parents (grandparents, stepparents, carers) taking care of a child in pre-school, pre-primary and primary education, who are not able attend classes due to the spread of infectious diseases. The benefit is paid for 60 days but can be extended up to the end of school closure. Due to the COVID-19 sickness benefit for those (grandparents, stepparents, carers) taking care of children continued to be paid along with an increased sickness benefit for those who became infected during a performance of their duties. The sickness benefit is also paid for those who have to stay in compulsory isolation after visiting coronavirus-affected country has been introduced in 2021 due to Covid-19. Detailed information regarding each type of benefit can be found in section 2.25. Since 1st of April 2022, the granting of sickness benefit is simplified to employers. Employers are entitled to pay sickness benefit from the employer's funds for the first 2 days of sickness regardless of the employee's social insurance record. Since 1st of July 2022, the recipients of sickness benefit have been expanded and now also include those who temporary take care of children or temporarily accommodate them[53]. Since January 1st, 2023, sickness benefit can be paid for parents who have children who attend primary schools and due to the epidemic in the school children cannot attend school[54].

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. Since 1st

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[51] 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.

[52] 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.

[53] Based on the following law: "Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 2, 4, 6, 8, 9, 10, 11, 11-1, 14, 16, 22, 23 ir 30 straipsnių pakeitimo įstatymas". No. XIV-752, 2021-12-14.

[54] Based on the following law: 'Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 2, 4, 6, 8, 9, 10, 11, 11-1, 14, 16, 23 ir 30 straipsnių pakeitimo įstatymas'. No. XIV-752.

January 2019, the benefit amount is equal to 65.94% of compensatory income[55]. The amount of the benefit cannot be higher than 2 average monthly salary of the previous quarter (AMSp) and lower thank 15% of AMSp. No changes in 2020-2023.

Occupational disease allowance *(profesinės ligos pašalpa):* monthly allowance paid to people, covered by social insurance at the moment when the right to this benefit has occurred. The benefit is paid until the person's return to work or until the assignment of other benefit, i.e. work incapacity pension. Since January 1st 2019, the benefit is equal to 77.58% of the average monthly insured income AMII[56]. No major changes in 2020-2023.

Work incapacity grant *(netekto darbingumo vienkartinė kompensacija*): a lump-sum amount paid in case of the loss of work capacity. If the lost work incapacity is permanent, then the grant is 3 times higher than the relevant grant amount, indicated under different degrees of lost (temporary) work incapacity. Since January 1st 2019, if up to 20% of work capacity is (temporarily) lost, the work incapacity grant is equal to 7.76%; or less than 30%, but more than 20% of work incapacity is (temporarily) lost, the grant is equal to 15.52% of persons' 24 month compensatory earnings, used to calculate a lump-sum amount[57]. No changes in 2020-2023.

Work incapacity periodical compensation *(netekto darbingumo periodinė kompensacija)* is a monthly compensation for insured persons who lost 30% or more of his/her work capacity because of an accident at work or professional disease. Since January 1st 2019, if insured person lost 30-45% of work capacity, monthly compensation is paid; if insured person lost 45% or more work capacity, compensation is paid if: the beneficiary is not entitled to the same amount or higher lost incapacity social insurance pension; if the insured person receives lost incapacity social insurance pension, which is lower than work incapacity periodic compensation (compensation paid as difference)[58]. No changes in 2020-2023.

Periodical compensation in case of death of insured *(Periodinė draudimo išmoka apdraustajam mirus)*: is paid monthly to family members and the amount is equal to work incapacity periodical compensation divided by the number of persons qualifying for the compensation. This compensation is paid as an entitlement due to occupational accidents or occupational disease insurance social insurance. Since July 6th 2018, for the spouse of the dead insured person, who has reached the retirement age, the periodical compensation is paid until the end of spouse's life[59]. No changes in 2019-2021. Since January 1st, 2022, the compensation is not

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[55] 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.

[56] 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.

[57] 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.

[58] 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.

[59] 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.

paid upon the death of the insured person is terminated when the spouse of the deceased enters another marriage[60]. No changes in 2023.

Grant in case of death of insured *(Vienkartinė draudimo išmoka apdraustajam mirus)***:** a lump-sum amount paid for the family members of the deceased. The grant is equally divided for each family member. This grant is paid as an entitlement due to occupational accidents or occupational disease insurance social insurance. Since January 1st 2019 the grant is equal to lump sum amount of 46.55 times the national average monthly wage[61]. No major changes between 2020-2023.

- *Abolished benefits*

State and state social insurance loss of breadwinner's pensions *(valstybinės maitintojo netekimo pensijos ar valstybinės socialinio draudimo maitintojo netekimo pensijos)* are awarded for the persons deceased before January 1, 1995. The persons who are entitled to receive or who receive these pensions also have a right to simultaneously receive one of the following (if entitled) pensions: the state social insurance old-age, work incapacity, invalidity, retirement, survivor's or orphan's pension. The exception is the orphan's pension which should be paid together with the loss of breadwinner's pension if the other parent was deceased before 1st January 1995.

Retirement pensions *(ištarnauto laiko pensijos)* are paid if the entitlement to these pensions has been granted before January 1, 1995. A person could choose to opt for old-age or work incapacity pensions instead of the retirement pension.

Invalidity pensions *(invalidumo pensijos)* are pensions for the disability reasons and awarded before July 1, 2005. Invalidity pensions are paid until the expiration of their entitlement or until other pensions types, such as old-age or work-incapacity pensions have been assigned. Paid invalidity pensions are updates with major parameter changes (i.e. change in social pension base). If people at the same time are entitled to receive the old-age pension, they are entitled to choose a larger pension or one of these pensions at their own choice.

- *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 criterions 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

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[60] Based on the following law: 'Lietuvos Respublikos nelaimingų atsitikimų darbe ir profesinių ligų socialinio draudimo įstatymo Nr. VIII-1509 2, 25, 26, 28 ir 31 straipsnių pakeitimo įstatymas'. No. XIV-753.

[61] Based on the followng 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.

Lithuanian universities and colleges operating in Klaipėda, Šiauliai and Panevėžys regions[62]; 300 EUR monthly stipends for bachelor students of pedagogy and/or special pedagogy[63]. Since July 1st, 2020, the promotional stipends cannot be lower than 1*BSA[64]. Targeted promotional educational stipends are equal to 3.73* BSA and 2.88*BSA based on the study field. No changes in 2021-2023.

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. Since the July 1st, 2011 the State Studies Foundation is responsible for Social stipends payment.[65] Since the 7th of April 2016 the amount of the Social stipend is 3.25 BSA[66]. Since July 1st, 2020, the amount of social stipend was increased, amounting to 6.5 BSA[67]. Furthermore, bachelor, masters, doctoral and vocational training students are eligible to receive benefit if they meet at least one of the following conditions: 1) he/she is eligible to receive social assistance benefit; 2) has working capacity level of 45% or less or severe/moderate disability; 3) is not older than 25 years of age and has been placed in custody (care) or his/her parent(s) have died. No changes in 2021-2023.

Compensations for heating of a dwelling, cold and hot water expenses, and sewage *(kompensacijos už būsto komunalines paslaugas)* (hereinafter referred to as "compensations"): 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. Compensations are only paid for the specified ratios of expenses, based on the notional defined sizes of useful space and ratios for certain types of utilities. Since 1st January 2012 Compensations are paid also for those, who rent apartments (only owners of apartments were eligible before). The notional defined size of useful space applied for compensations calculation was increased since 1st January 2012. Since Jun 1st, 2020, larger compensation rate is applied for people receiving compensations[68]. Since January 1st, 2022, the heating compensation used in the calculation of compensation for

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[62] 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

[63] 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'. 2020-06-04, Nr. 12273. https://www.e-tar.lt/portal/legalAct.html?documentId=9dd940f0a66511eab9d9cd0c85e0b745

[64] 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.

[65] 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.

[66] Based on the following resolution "Dėl Lietuvos Respublikos Vyriausybės 2009 m. gruodžio 23 d. nutarimo Nr. 1801 „Dėl Socialinių stipendijų aukštųjų mokyklų studentams skyrimo ir administravimo tvarkos aprašo patvirtinimo" pakeitimo". 2016-03-30. Nr. 7910. https://www.e-tar.lt/portal/legalAct.html?documentId=82c90ff0fbb711e5a52397090a2fa158

[67] Based 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

[68] Based on the following law: 'Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 3, 6, 7, 9, 10, 11, 15, 17, 21 ir 23 straipsnių pakeitimo įstatymas'. No. XIII-2883, 2020-05-07.

heating doubled. The heating compensation is paid when the heating costs exceed 10% of the difference between income and 2 SSI per each family member (instead of 1 SSI) or 3 SSI for single person (instead of 1.5 SSI)[69]. Since January 1st, 2023, the assets test is not applied until 30th of April, 2024.

Municipal support *(vienkartinės pašalpos iš savivaldybių biudžetų):* 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 imposed on the family members. The rules of granting a one-time municipal social support are set at the local authorities' level.

Social assistance to pupils (*socialinė parama mokiniams*)**:** means-tested non-cash benefit that consists of free meals to pupils and free school's supplies prior to the beginning of a new school year.

Compensation for drugs and medical devices (*vaistų ir medicinos pagalbos priemonių įsigijimo išlaidų kompensavimas*)**:** awarded to insured people based on *the Law of Health Insurance*. Children until age of 18 and 1st degree disabled people have a right to 100% compensation for approved drugs and medical devices. Pensioners, other disabled people, or people ill with certain disease have a right to partial compensation of 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)*: awarded to insured people based on *the Law of Health Insurance*. 100% of medical rehabilitation expenses are compensated for children until the age of 18, 1st degree disabled people and people ill with certain diseases. 90% of basic sanatorium expenses are compensated for children until age 7 and disabled people until age 18. Basic sanatorium prices are defined by the Ministry of Health.

Severance pay/compensation (*Išeitinė kompensacija*)**:** paid if the labour contract is terminated at the employer's initiative and no fault of 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 personal income tax.

1.3. 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 pension, health care, sickness and maternity, employment injuries, occupational diseases and unemployment insurances. Since January 1st, 2019, social insurance contribution ceilings (except for healthcare contributions) were introduced: social insurance contributions are paid on the annual incomes below 120 AMS (average monthly salary) in 2019; 84 AMS in 2020,

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[69] 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.

60 AMS amount in 2021 and subsequent years[70]. For the annual income amounts exceeding the AMS threshold, 0% contribution rate is applied.

Employee's contributions: All employees of private and public sector pay contributions of 19.5% to pension, sickness, maternity and health social insurance rate[71]. Since January 1st, 2019, employed and self-employed persons can voluntarily choose whether to participate in 2nd pension pillar with either 1.8% or 3%, which is also supported by the state with 0.3% and 1.5% accordingly. Since 2020, the 1st contribution rate in 2nd pillar pension was increased by up to 2.1% along with the state subsidy of 0.6%. Since January 1st, 2021, 1st contribution rate in 2nd pillar pension was increased by up to 2.4% along with the state subsidy of 0.9%. Since January 1st, 2022, 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%[72]. 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 January 1st, 2023, those participating in the 2nd pension pillar, 1st contribution rate increased up to 3% with the state subsidy of 1.5%.

Employer's contributions: All employers of private and public sector pay social insurance contributions on behalf of their employees. Since January 1st, 2018, social insurance contribution floors have been introduced, meaning that employers have to pay social insurance contributions not lower than from MMS for those employees whose monthly salaries are below the MMS (minimum monthly salary)[73]. Since January 1st, 2019, employers pay: unemployment social insurance contributions (1.31%), payments to the long-term work benefit fund (0.16%) and the guarantee fund (0.16%) and a variable rate for employment injuries and occupational diseases social insurance (0.14-1.4%)[74]. No changes in 2020-2023.

Contributions for self-employed: Self-employed also covered by the social insurance system. The coverage of different groups of the self-employed by social insurance is gradually expanded. Since 1st January 2017 the owners of individual enterprises, 'real members' of agricultural communities and members of small communities also pay social insurance contributions for unemployment benefits. As of January 1st, 2021, for 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,[75]. For self-employed persons, whose total indebtedness to the Fund is below 125 EUR, the payment of arrears of interest on late payment of social security contributions are not postponed. No changes in 2022-2023.

Self-employed persons engaged in individual activities under business certificates compulsory pay social insurance contributions for the basic pension part. Since 1st of January 2017, self-employed

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[70]Based 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

[71] 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.

[72] Based on the following law: "Lietuvos Respublikos Valstybinio socialinio draudimo fondo biudžeto 2022 metų rodiklių patvirtinimo įstatymas". No. XIV-749, 2021-12-14.

[73] Based on the following law: 2017-12-05, No. XIII-823 "Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymas". 2017, No. 20047.

[74] 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.

[75]Based on the following law: 'Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 12 ir 19 straipsnių pakeitimo įstatymo Nr. XIII-3011 pakeitimo įstatymas'. No. XIV-124, 2020-12-23.

persons engaged in individual activities under business certificates pay social insurance contributions based on MMS[76]. 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[77]. Persons who have acquired business certificates for more 3 months or more have to pay social insurance contributions once a quarter. No changes in 2020-2023.

Since January 1st, 2018, social insurance contribution holidays were introduced for owners of individual enterprises, members of small communities, real members of the partnerships, farmers and their partners and individuals pursuing their individual activities. Those self-employed persons will be able to pay no social security contributions for one year from the start of their first activity[78]. Since January 1st, 2019, due to tax reform, social contributions for employees were recalculated. No major changes except for the 1st contribution rate in 2nd pillar pension contributions (increased by up to 2.1% along with the state subsidy of 0.6% in 2020, by up to 2.4% along with the state subsidy of 0.9%). 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 contributions (in such case this period is not accounted for), if: 1) they receive social insurance old-age pension or lost working capacity (disability) pension in accordance to *the Law on State Social Insurance Pensions*; 2) have reached retirement age[79]. Since January 1st, 2022, 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%. No changes in 2023.

Compulsory health insurance contributions (*privalomojo sveikatos draudimo įmokos*): Health insurance contributions are compulsory. Since January 1st, 2019 the standard rate of the health insurance contributions are set to 6.98%[80]. On behalf of certain individual groups government pays contributions (see Section 2.6.3 for details).

1.4. Taxes

**Personal Income Tax (*asmens pajamų mokestis)* has a progressive schedule and is applied on an individual income. This tax is paid according to the *Law on Income Tax*. An exception is the the income tax of a fixed amount, which is paid to acquire a business certificate. According to the *Law on Income Tax*, the list of tax-exempt incomes includes more than 50 categories, most importantly, all state social assistance or social insurance benefits, paid from state and municipal budgets or *Social Insurance Fund* (except sickness, maternity leave, paternity leave and childcare benefits). A phasing-out basic allowance is applied to incomes below a certain threshold. In 2018, the main PIT rate was 15%. Since January 1st, 2019, the main rate of PIT is set to 20% if the annual income does not exceed 120 AMS, and 27% if the annual income amount exceeds 120

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[76] Based on Atvira SoDra. http://www.sodra.lt/lt/situacijos/imoku-tarifai-savarankiskai-dirbantiems

[77] Based on the following law: 'Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 12 ir 19 straipsnių pakeitimo įstatymo Nr. XIII-3011 pakeitimo įstatymas'. No. XIV-124, 2020-12-23.

[78] Based on the following law: 2017-12-05, No. XIII-823 „Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymas". 2017, No. 20047.

[79] 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'. No. XIV-123, 2020-12-23.

[80] Based on Sodra: https://www.sodra.lt/lt/situacijos/imoku-tarifai/imoku-tarifai-taikomi-uz-samdomus-darbuotojus

AMS. These rates are applied on all employment-related income and also on some forms of non-employment income[81]. Taxable benefits, dividends and income from individual activities (minus tax credit) and some other types of income are taxed at 15%. Since January 1st, 2020, the main 20% PIT rate is applied the annual income below 84 AMS, and the second 32% PIT rate if the annual income exceeds 84 AMS. Since January 1st, 2021, the income threshold for the second bracket is lowered to 60 AMS. No changes in 2022. Since June 30th, 2022, a progressive tax allowance reform has been implemented, applicable throughout the whole year 2022. Different levels of tax allowances applied for individuals with MMS (730 EUR), between MMS and 1704 EUR and income above 1704 EUR. Since January 1st, 2023, different income thresholds applied for tax allowances: tax allowance of 625 EUR is applied to income below MMS (840 EUR); for those 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 tax allowance is applied.

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%. A tax rate of 15% is also applied to income from distributed profits. Received financial support, used not in accordance to *The Law on Charity and Financial Support*, and financial support exceeding a total amount of 250 BSA is taxed without any deductions by 15%. Moreover, 15% tax rate applies to fixed corporate income tax base of shipping entities (without any deduction). Under the *Law on Corporate Income Tax[82]*, different rates (0%, 5%, 15%) may apply according to the size (number and status of employees) and type of the entity and the profit amount. Since January 1st, 2018, additional tax relief of 5% applied for researchers and experimental developers was added[83]. Additionally, units, carrying our investment project as well as investing in technological renewal may reduce taxable income up to 100%. The tax relief of 0% was abolished for social enterprises and standard corporate income tax base is applied, etc. Since January 1st 2019, for entities with less than 10 employees and the annual revenue does not exceed 300 thousands. EUR, the 0% tax rate on taxable profits is applied in the first year, in later years – 5% tax rate on taxable profits is applied with some exceptions[84]. Since January 1st 2020, the share of taxable profits of credit institutions (e.g. banks) exceeding 2,000,000 EUR is subject to additional tax rate of 5%[85]. Since January 1st, 2021, entities with less than 10 employees and/or their annual revenue does not exceed 300 thus. EUR, the 0% tax rate on taxable profits is applied in the first year, in later years – 5%[86]. Since 1st July 2022, an additional taxation of the profits of credit institutions is implemented[87]. No changes in 2023.

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[81] Gyventojų pajamų mokesčio (GPM) tarifai, taikomi 2019 m. ir vėlesniais metais: https://www.vmi.lt/cms/documents/10174/8274962/KD8860+tarifai+nuo+2019+met%C5%B3/f4d12f92-cb8c-4c5a-bd59-f9317c9507d9

[82] Based on the following law: 2001-12-20 No. IX-675 "Lietuvos Respublikos pelno mokesčio įstatymas". 2001, No. 110-3992.

[83] Based on the following law: 2017-12-07, Nr. XIII-842 "Lietuvos Respublikos pelno mokesčio įstatymo Nr. IX-675 2, 4, 5, 12, 22, 30, 33, 46-1 ir 58 straipsnių pakeitimo įstatymas". 2017, Nr. 2068.

[84] Based on the following law: „Lietuvos Respublikos pelno mokesčio įstatymo Nr. IX-675 5 straipsnio pakeitimo ir Įstatymo papildymo 46-3 straipsniu įstatymas'', 2018-06-30, No. 10976

[85] 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.

[86] 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

Inheritance tax (*paveldimo turto mokestis*) is applied using a progressive schedule. 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 made by municipalities.

Land taxes *(žemės mokestis)* 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.[88] Generally, a land tax value is based on immovable property register data and it is calculated by the local State Tax Inspectorate. Some people are exempt from land tax liability, e.g. disabled, pensioners, and children. Some allowances or deductions may be made 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 municipality[89].

Value Added Tax (*pridėtinės vertės mokestis*): The standard VAT rate is 21%. Reduced 9% VAT rate applied to heating energy used for heating of the living dwellings, hot water and cold water used for preparing hot water, including heating energy used for the heating of water, for the living dwellings. Duty-free shops can only operate in international airports and seaports. Since January 1st, 2018, a reduced VAT rate of 5% is applied on all prescription medicines that are not compensated[90]. Since January 1st 2021, a reduced VAT rate is applied for firewood and wood products. Since January 1st 2021, reduced VAT of 5% applies to electronic periodicals. As for the Covid-19 vaccines and tests, 0% VAT applies. No major changes in 2022. A reduced 9% VAT rate is applied for books and e-books and for printed and electronic non-periodical informational publications. A reduced 9% VAT is also applied to food deliveries, services, and visits to all kinds of art and culture institutions, art and culture events[91].

Excise Duties (*akcizai*) are charged on alcohol and alcoholic beverages, beer, tobacco, fuel and electric power and electrical production.

Immovable Property Tax (*nekilnojamo turto mokestis*): This tax is paid by natural and legal persons. 'Immovable property' means the premises, engineering and other structures registered in the Real Property Register. This tax is imposed on 1) the immovable property (or part) belonging to natural persons by the right of ownership and located in Lithuania, with the exception of the structures (premises) intended for dwelling purposes, gardens, garages, homesteads, greenhouses, farms, subsidiary farms, science, religion, and recreation, fish-farming structures as well as engineering structures, where they are not the immovable property used for economic or individual activities or have not been transferred, for an indefinite period or for a period exceeding one month, for use to legal persons; 2) the immovable property belonging to legal persons by the right of ownership and located in Lithuania. Since January 1st 2018, the progressivity of immovable property tax was introduced, where the 0.5% tax rate is applied for immovable property value of 220,000-300,000 EUR, 1% to 300,000-500,000 EUR and 2% to property values of more than 0,5 mln EUR[92]. Additionally, since 1st January 2018 the tax rate is 0.5% and the tax

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[88] Based on the following resolution "LR Vyriausybės 1993 m. rugpjūčio 3 d. nutarimas Nr. 603 „Dėl žemės mokesčio".

[89] 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

[90] Based on the following law: 2017-12-05, No. XIII-817 „Lietuvos Respublikos pridėtinės vertės mokesčio įstatymo Nr. IX-751 19 ir 96 straipsnių pakeitimo įstatymas". 2017, No. 20011.

[91] Based on the following law: 'Pridėtinės vertės mokesčio įstatymo Nr. IX-751 19 straipsnio pakeitimo įstatymo projektas'. No. XIVP-2148(3).

[92] Based on the following law: 2017-12-05, No. XIII-815 "Lietuvos Respublikos nekilnojamojo turto mokesčio įstatymo Nr. X-233 6, 7, 11, 12 ir 14 straipsnių pakeitimo įstatymas". 2017, No. 20009.

base is market value of immovable property above 286,000 EUR (non-taxable value of real estate is increased by 30% for families with 3 or more children (adopted children) under 18 years old, and for families with disabled children (adopted children) under 18 years old and older children which has established a special need for permanent care. Since January 1st, 2020, the tax exemption is applied for immovable property value below 200,000 EUR for above mentioned families[93]. For Meanwhile the tax exemption for total immovable property value below 150,000 EUR is applied for natural persons, owning residencies, gardens, garages, farms and other types of buildings. No changes in 2021-2022.

Other taxes

Other indirect taxes include Income Deductions according to Forest Law, Sugar Sector Taxes, 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, 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 tax allowance level or other general income taxation rules are applied.

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[93] Based on the following law "Lietuvos Respublikos nekilnojamojo turto mokesčio įstatymo Nr. X-233 6 ir 7 straipsnių pakeitimo įstatymas". 2019-12-27. Nr. 21307

Table 2.1. Simulation of benefits in EUROMOD, 2020-2023

Benefit	Variable name(s)	2020	2021	2022	2023	Main limitations/other remarks
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
Student'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	bmaprct_s	S	S	S	S	No data on contribution history
Paternity leave benefit	bplct_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
Work incapacity pension	bdi/boa	IA	IA	IA	IA	No data on disability occurrence; information included in variables bdi or boa (hereinafter referred to as bdi/boa), splitting by retirement age.
Invalidity pension	bdi/boa	-	-	-	-	No data on disability occurrence;
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
Work incapacity 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
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	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.
Vocational scholarship for unemployed during Covid-19	-	E	E	E	E	No data on participation in vocational training during Covid-19.
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	S	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 disabled children.
Temporary jobseeker's benefit	bunnc_s	S	S	S	S	Modelled with assumptions.
Temporary benefit for the self-employed	ysecomp_s	S	S	S	S	Randomly allocated among those who satisfy eligibility rules to match the external statistics. Self-employment income adjusted accordingly. No actual information

		2020	2021	2022	2023	
						about losses of self-employment income during Covid-19.
Subsidies to remain in the labour market during Covid-19 quarantine	yemdowncomp_s	S	S	S	S	Randomly allocated among those who satisfy eligibility rules to match the external statistics.
Subsidies to remain in the labour market after Covid-19 quarantine	yemcomp_s	S	S	S	S	Randomly allocated among those who satisfy eligibility rules to match the distribution of affected people in line with the statistics on the most affected sectors during the Covid-19.
Compensation for heating costs	xhcht_s	-	PS	PS	PS	Modelled with assumptions on average monthly heating costs
Compensation for water costs	xhcwt_s	-	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, 2020-2023

Taxes and social contributions	Variable name(s)	Main limitations/other remarks				
		2020	2021	2022	2023	
Personal Income Tax on wages	tin_s	S	S	S	S	
Personal Income Tax (from authorship contracts, royalties)	tin_s	S	S	S	S	
Personal Income Tax on rent	tin_s	S	S	S	S	Rent is a component of the other property related income.
Personal Income Tax on income from individual activity	tin_s	S	S	S	S	

Personal Income Tax (acquisition of business certificate)	-	E	E	E	E	No information on income gained from activities with business certificate
Corporate Income Tax	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
Social 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	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
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	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
Deferment and apportionment of tax payments due to Covid-19	-	E	E	E	E	Outside the scope of the model
Sugar Sector taxes	-	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	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
International trade and transaction taxes	-	n.a.	n.a.	n.a.	n.a.	Outside the scope of the model
Credited social contributions	ils_sicct	PS	PS	PS	PS	Only some of the eligible groups identified.
Credited contributions for health insurance	-	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		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	-	-	-	-	
- health insurance	tsceehl_s	S	S	S	S	
- contributions to the second pillar pensions	tpceepi_s	S	S	S	S	Simulated since 2019 (after the reform). 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	Simulated since 2019 (after the reform). 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 is one partially simulated component in the Lithuanian policy spine: unemployment insurance benefit (bunct_lt). The policy is marked in the model as 'PART SIMULATED'. Elements that are part-simulated are also marked as taken 'FROM THE DATA'. In this case 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 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 structural changes in the LT system (simulated policies) since 2020:

- *Main policy changes between 2020 and 2021*

Changes in student's childcare benefit - the age limit was abolished for parents who study (studied) in full-time vocational/higher educational and doctoral/medical residency studies. Since 2021, maternity, paternity and childcare benefit amounts will not be reduced if a person receives income from self-employment during the period of receipt of the benefit. Furthermore, self-employed persons are eligible to receive maternity, paternity, and childcare benefit if they have paid social insurance contributions from at least 1 MMS on a monthly basis and have required insurance period for maternity benefit. There have been some changes for recipients of early retirement pension. Since 2021, persons, who were receipts of early retirement pension, the amount of old-age 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 pension. The same principle applies for work incapacity pension. Social insurance contribution ceilings equal to 60 AMS amount in 2021 and subsequent years. Same ceiling amount applies to 32% PIT rate for incomes exceeding 60 AMS per year. Finally, since July 1st, 2021, a new single person benefit of 28.63 Eur per month has been introduced for certain groups of pension/benefit beneficiaries if they are eligible to the state social insurance pensions, social pension or bonuses on low pensions.

- *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. Regarding pensions, 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 extended - single person benefit is granted to single adults with a working capacity level of 55% or less and persons who have reached retirement age (the benefit is no longer linked to receipt of social assistance pension or social insurance old-age or incapacity pension). Regarding social security contributions, 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 $= 540 - 0.34 \times$ (monthly employment income $- 730$); for those with income exceeding 1704 EUR, the monthly basic allowance $= 400 - 0.18 \times$ (monthly employment-related income $- 642$). Tax allowance is applicable throughout the whole year 2022.

- *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. With regards to social assistance, the assets test is not applied for social assistance benefits, heating and water compensations. Finally, since January 1st, 2023, different income thresholds applied for tax allowances: tax allowance of 625 EUR is applied to income below MMS (840 EUR); for those 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 tax allowance is applied.

2.3. Order of simulation and interdependencies

- *Order of simulation in 2020-2023*

In 2020-2023 the order of simulation remains the same as before besides the following changes (see

Table 2.3):

- Compensations in 2014-2016 due to the cuts in old age, early retirement, disability pensions made in 2010 and 2011 are simulated in EUROMOD (boa_lt policy) (see Annex 3 for details). In 2017 and 2018 no cuts and compensations applied. The policy boa_lt was modified accordingly to account for any cuts or compensations recorded in the input data. No cuts or compensations are applied using 2019 survey data.

- A switch for full-year adjustment of the unemployment social insurance benefit (bunct_FYA_lt) is introduced for 2017. The rules of the benefit changed as of July 1st, 2017 so not modelled for 2017 by default. The switch enables to account for the mid-year change in the policy rules. However, administrative statistics does not show any substantial increase between 2016 and 2017. Full-year adjustments are also implemented for social assistance benefit in 2020 (bsa_FYA_lt). In 2021, full-year adjustment introduced to account for single person benefit starting from July 1st (bsg_lt).

- Newly introduced long-term work payment (bunct01_lt) is modelled starting 2018 after the unemployment social insurance benefit.

- Newly introduced universal child benefits modelled: *bchnm_lt* is modelled after the benefit for multiple birth families (bchmp_lt). *Child benefit (bch00_s) is renamed into additional child benefit.* The new universal child benefit is included into all appropriate income lists.

- Recalculation of gross wage (wage_adj_lt) was included in the model since year 2019. Due to tax and social insurance contribution reform since January 1st, 2019, all the wages were increased by factor 1.289. The recalculation of gross wage is applied on all incomes by default.

- *A switch for old-age pension indexation (boa00_lt) is introduced for year 2016-2019, which is calculated according to the pension formula, conversion coefficient applied when recalculating former pension records into the point system. The switch allows to calculate disaggregated pension components. Even though pension indexation is included into the input data, the rules are turned OFF by default in the policy rules.*

- *A switch for tax compliance adjustments (TCA_lt) are introduced for data tax evasion corrections since 2017. Full tax compliance is assumed to be OFF by default and is not modelled in the model for 2019 by default.*

- *COVID-19 measures are modelled in 2020-2021. Wage compensations, benefits for the self-employed and sickness benefits for childcare during the pandemic are modelled only in combination with the labour market adjustments (LMA). These can be implemented using LMA add-on.*

Table 2.3. EUROMOD Spine: order of simulation, 2020-2023

	Policy	Grp/No	LT_2020	LT_2021	LT_2022	LT_2023	Comment
1	SetDefault_lt		on	on	on	on	DEF: DEFAULT VALUES FOR VARIABLES
2	uprate_lt		on	on	on	on	DEF: UPRATING FACTORS
3	ConstDef_lt		on	on	on	on	DEF: CONSTANTS
4	admin_lt		switch	switch	switch	switch	DEF: Admin data configurations
5	ILsDef_lt		on	on	on	on	DEF: STANDARD INCOME CONCEPTS
6	ILsUDBDef_lt		on	on	on	on	DEF: UBD INCOME CONCEPTS
7	ILDef_lt		on	on	on	on	DEF: NON-STANDARD INCOME CONCEPTS
8	TCA_lt		on	on	on	on	SWITCH: Tax compliance adjustment (full tax compliance assumed by default; since 2017 data tax evasion corrections can be switched on)
9	random_lt		on	on	on	on	DEF: generate random number
10	wage_adj_lt		on	on	on	on	DEF: recalculation of gross wage (by a factor: 1.289)
11	TransLMA_lt		off	off	off	off	DEF: Modelling labour market transitions (DO NOT SWITCH ON; ONLY WORKS WITH THE LMA ADD-ON)
12	TUDef_lt		on	on	on	on	DEF: ASSESSMENT UNITS
13	yseDef_lt		switch	switch	switch	switch	DEF: Self-employment income after actual deductions used to estimate true income (35, 90, 92, 93, 96, 97).
14	bl_lt		switch	switch	switch	switch	INC: Update income to include business license income that exceeds thresholds.
15	ytxtw_lt		switch	switch	switch	switch	INC: Taxable income from tranfer of wealth (11-18)
16	ypptx_lt		switch	switch	switch	switch	INC: Taxable private pension and life insurance income (48, 71, 72, 75, 76)
17	yiyittx_lt		switch	switch	switch	switch	INC: Taxable interest income (55, 58, 59, 64, 67)
18	yiydvtx_lt		switch	switch	switch	switch	INC: Taxable dividend income (26, 27, 29)
19	yottx_lt		switch	switch	switch	switch	INC: Taxable other income (31, 34, 41, 42, 45, 88)
20	vat_lt		switch	switch	switch	switch	DEF: Determines weather a person is a vat payer
21	ysetx1_lt		switch	switch	switch	switch	DEF: Self-employment (SE) income after deductions and losses, but before SSCs
22	tscse_admin_lt		switch	switch	switch	switch	SIC: self-employed social security contributions (socialinio draudimo imokos)
23	ysetx2_lt		switch	switch	switch	switch	DEF: Self-employment (SE) income after deductions, losses, and SSCs (non-negative)
24	tin_admn_lt		switch	switch	switch	switch	TAX: personal income tax (gyventojų pajamų mokestis)
25	yem_lt		switch	switch	switch	switch	DEF: Minimum wage
26	neg_lt		on	on	on	on	DEF: Recode negative income to zero
27	boa00_lt		switch	switch	switch	switch	SWITCH: old-age pension indexation
28	boa_lt		on	on	on	on	BEN: pension cuts, compensations, bonuses, lump-sum payments
29	bsg_lt		n/a	on	on	on	BEN: benefit for a single person (vienišo asmens išmoka)
30	sickcomp_lt		on	on	n/a	n/a	DEF: compensation for parents looking after children during Covid - sickness payment
31	sickadj_lt		on	on	n/a	n/a	DEF: compensation for parents looking after children during Covid - sickness payment
32	ysecomp_lt		on	on	off	off	DEF: compensation for self-employed during Covid

33	▸ ●	yseadj_lt		off	off	off	off	DEF: compensation for self-employed during Covid (DO NOT SWITCH ON; ONLY WORKS WITH THE LMA ADD-ON)
34	▸ ●	yemdowncomp_lt		on	on	n/a	n/a	DEF: wage compensation during Covid quarantine
35	▸ ●	yemdownadj_lt		on	on	n/a	n/a	DEF: wage compensation during Covid quarantine
36	▸ ●	yemcomp_lt		on	n/a	n/a	n/a	DEF: wage compensation after Covid quarantine (in 2020)
37	▸ ●	yemadj_lt		on	n/a	n/a	n/a	DEF: wage compensation after Covid quarantine
38	▸ ●	bmaprct_lt		on	on	on	on	BEN: maternity leave benefit (motinystes išmoka, iki 2017 m. motinystės pašalpa)
39	▸ ●	bmaprnc_lt		on	on	on	on	BEN: pregnancy grant (vienkartine ismoka nesciai moteriai)
40	▸ ●	bmact_lt		on	on	on	on	BEN: childcare benefit (vaiko priežiūros išmoka), before 2017: maternity (paternity) leave benefit (motinystes (tevystes) pasalpa)
41	▸ ●	bplct_lt		on	on	on	on	BEN: paternity leave benefit (tevystes pasalpa) - since 2007
42	▸ ●	bmaed_lt		on	on	on	on	BEN: student's childcare benefit (ismoka besimokancio ar studijuojancio asmens vaiko prieziurai) since 2017.06
43	▸ ●	bunct_lt		on	on	on	on	BEN: unemployment insurance benefit (nedarbo draudimo ismoka): PART SIMULATED
44	▸ ●	bunct_FYA_lt		switch	switch	switch	switch	BEN: unemployment insurance benefit (nedarbo draudimo ismoka): FULL YEAR ADJUSTMENT FOR 2017
45	▸ ●	bunct01_lt		on	on	on	on	BEN: long-term work payment (ilgalaikio darbo išmoka) since 2017.07
46	▸ ●	bunnc_lt		on	on	n/a	n/a	BEN: temporary jobseeker's allowance - due to Covid
47	▸ ●	tscse_lt		on	on	on	on	SIC: self-employed social insurance contributions (socialinio draudimo imokos)
48	▸ ●	tpcpi_lt		on	on	on	on	SIC: additional contributions to funded pension scheme (II pakopos pensiju imokos) - since 2019
49	▸ ●	tin_lt		on	on	on	on	TAX: personal income tax (asmens pajamu mokestis)
50	▸ ●	tscsehl_lt		n/a	n/a	n/a	n/a	SIC: self-employed social insurance contributions - health (privalomojo sveikatos draudimo imokos)
51	▸ ●	tscer_lt		on	on	on	on	SIC: employer social insurance contributions (socialinio draudimo imokos)
52	▸ ●	tscee_lt		on	on	on	on	SIC: employee social insurance contributions (socialinio draudimo imokos)
53	▸ ●	bchmp_lt		on	on	on	on	BEN: benefit for multiple birth families (išmoka gimus dviem ir daugiau vaikų)
54	▸ ●	bchnm_lt		on	on	on	on	BEN: child benefit (universali vaiko ismoka) since 2018
55	▸ ●	bch00_lt		on	on	on	on	BEN: additional child allowance (papildoma ismoka vaikui) "additional" since 2018
56	▸ ●	bchba_lt		on	on	on	on	BEN: birth grant (vienkartine ismoka gimus vaikui)
57	▸ ●	bsa00_lt		on	on	on	on	BEN: social benefit (socialine pasalpa)
58	▸ ●	bsa_FYA_lt		switch	switch	switch	switch	BEN: social benefit (socialine pasalpa) - increase in 2020 due to Covid - temporary and permanent measures
59	▸ ●	xhcht_lt		n/a	off	off	off	BEN: compensation for heating costs (būsto šildymo išlaidų kompensacija)
60	▸ ●	xhcwt_lt		n/a	off	off	off	BEN: compensation for water costs (vandens išlaidų kompensacijos)
61	▸ ●	tscct_lt		on	on	on	on	SIC: credited social insurance contributions
62	▸ ●	thl_lt		on	on	on	on	Mandatory health contribution (PSD)
63	▸ ●	output_std_lt		on	on	on	on	DEF: STANDARD OUTPUT INDIVIDUAL LEVEL
64	▸ ●	output_admin_lt		switch	switch	switch	switch	DEF: STANDARD OUTPUT INDIVIDUAL LEVEL
65	▸ ●	output_minwage_lt		switch	switch	switch	switch	DEF: MINWAGE OUTPUT INDIVIDUAL LEVEL
66	▸ ●	output_std_hh_lt		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.

2.4.1. Minimum wage

- *Brief description*

Minimum wage is usually changed as 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 hours worked) if the income from employment is less

than minimum wage, but 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 its hourly wage is still less than a minimum wage.

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

2.5. Benefits

2.5.1. Single person benefit (bsg_s)

- *Brief description*

Since July 1st, 2021, certain groups of pension beneficiaries are entitled to a single person benefit if they are eligible to the state social insurance pensions, social pension or bonuses on low pensions.

- *Eligibility conditions*

Pension beneficiaries are entitled to a single person benefit if they are entitled to certain pensions/benefits: social assistance old-age, disability, compensation awarded and paid to an individual who has reached a retirement age or recognized as having lost 60% or more of his/her working capacity, social pension or bonuses on low pensions and have 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, and who meet one of the following requirements: have concluded no marriage neither in the Republic nor abroad; the marriage concluded in the Republic or abroad has ceased to exist.

The single person benefit is also paid for widows, who: in the case of widowhood (in the event of the loss of a breadwinner), 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 28.63 Eur in 2021 (32 Eur in 2022, 34.89 EUR in 2023) or do not receive a social insurance widow's pension and/or a state widow's pension because instead of these widows' pensions they have chosen to receive a social insurance orphan's pension, a benefit orphan's pension and/or a state orphan's pension.

Since January 1st, 2022, the circle of beneficiaries has been extended - single person benefit is granted to single adults with a working capacity level of 55% or less and persons who have reached retirement age (granting and paying a single person benefit is no longer linked to receiving a social assistance pension or social insurance old-age or incapacity pension). No major changes in 2023.

- *Income test*

No income test applied.

- *Benefit amount*

The amount of the benefit in 2021 is 28.63 EUR, 32 EUR in 2022, 34.89 EUR in 2023

2.5.2. Birth grant (bchba_s)

- *Brief description*

This benefit is a lump-sum cash benefit paid upon the birth of a child to one of the parents (adoptive parents) or a guardian.

- *Definitions*

The primary unit of analysis is family, which consists of partners and their own dependent children. Dependent children are persons aged under 18 or under 24 if in full-time education; they cannot be married, cohabiting with a partner or be parents themselves.

- *Eligibility conditions*

Based on the benefit rules, the benefit is paid to one of the 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 used for income testing for social assistance and child benefits. The benefit amounted to 11*BSA per eligible dependent child during the entire 2019-2023 (applicable on 30th June) period.

2.5.3. Universal child benefit (bchnm_s)

- *Brief description*

Universal child benefit was introduced in 2018. It is a monthly cash benefit paid to a family raising one or more dependent (guarded) children up to the age of 18 or older if in full-time educational system. The benefit is also paid for all children under guardianship, irrespective of their care form (non-governmental guardianship institution, family-type guardianship institution or childcare institution).

- *Definitions*

The primary unit of analysis is children, aged under 18 or under 21 if in full-time education, who are raised in families or are under guardianship irrespective of the care form.

- *Eligibility conditions*

The benefit is paid to all families and care institutions having one or more dependent (guarded) children up to the age of 18 or up to the age of 21 if in full-time education.

- *Income test*

No income test applied.

- *Benefit amount*

The benefit level is calculated in relation to the BSA. As of January 1[st,] 2020, the benefit amount was increased up to 1.54* BSA (60.06 EUR). Different benefit amount level for disabled children

was eliminated. Since January 1st, 2021, the amount of child benefit was increased by to 1.75*BSA (70 EUR) per child (see Table 2.4 for more information)[94]. No changes in 2023.

Table 2.4. Child benefit entitlements on January 1st, 2020-2023

	2020	**2021-2023**
For each child	1.54* BSA	1.75*BSA

2.5.4. Additional child benefit (bch00_s)

- *Brief description*

It is a monthly cash benefit paid to a family raising one or more children up to the age of 18 or older if in full-time educational system, but not longer than up to the age of 21.

- *Definitions*

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

- *Eligibility conditions*

Since January 1st, 2018, the additional child benefit could be paid only until the age of 18 or 21 for those children, enrolled in secondary, post-secondary or vocational education[95]. Since January 1st 2019, guardians (caregivers) are also eligible to apply for an additional child benefit. Since January 1st, 2020, additional child benefit shall be paid for families with disabled children as well. No changes in 2021. Since January 1st, 2022, additional child benefit is also paid for families with children up 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 childbirth. 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. No other changes in 2022-2023.

- *Income test*

In order to receive the additional child benefit an income test is applied based on the same income definition as for the social assistance benefit. Since January 1st, 2017, the income test is not applied for families with three or more children. Since January 1st, 2020, the income threshold for families with one or two children was increased: monthly income per each family member can't exceed the threshold of 2 SSI[96]. Also, the income of dependent children under the age of 24, who are in in full-time education is not included in the assessed household income. When applying the income testing for the additional child benefit, the income of adult children (adopted children) under the age of 24 who are living together is also not assessed. Since January 1st, 2021, dependent children are also those in full-time higher/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 year.

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[94] 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.

[95] Based on the following law: 2017-12-05, No. XIII-822 "Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 pakeitimo įstatymas". 2017, No. 20326.

[96] 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 level is calculated in relation to BSA and varies based on the number of children in the family, their age (only in 2018) and other characteristics as presented in Table 2.5.

Table 2.5. Additional child benefit coefficients on January 1, 2020– 2023

Family type	2020-2023	
	Income test applied	Benefit amount per child
Families with 1-2 children	Yes	1.03*BSA
Families with 3+ children	No	
Families with disabled children	No	

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

Since January 1st, 2018, the additional child benefit is paid for families raising one or two children aged 18 to 21 and in full-time secondary, post-secondary and vocational education. Since 2020, families with disabled children below 18 years old or below 21 years if with 55% and lower disability level are also entitled to receive the additional child benefit equal to 1.03 BSA per child. It is important to note, that the additional benefits cannot be duplicated per child, e.g. if a child is disabled and is from a low-income family, child's parents are eligible only for one supplement of 1.03 BSA per child per month. No changes in 2021-2023.

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 a disability level in the input database.

2.5.5.   Pregnancy grant (bmaprnc_s)

- *Brief description*

This benefit is a lump-sum cash benefit paid to a pregnant woman upon the 28th week of the pregnancy.

- *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.

- *Income test*

No income test applied.

- *Benefit amount*

The benefit was equal to 2 BSA before 2020. Since January 1ˢᵗ, 2020, the benefit increased up to 6.43 BSA[97]. No changes in 2021-2023.

EUROMOD note:

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

2.5.6. Maternity leave benefit (bmaprct_s)

- *Brief description*

This benefit is a cash benefit paid to a pregnant woman on the basis of *the Law on Sickness and Maternity Social Insurance*. 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 child birth (70 days) and after delivery (56 days). In the case of complicated childbirth or if more than one child was born, an 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 maternity leave, had sickness and maternity social insurance record of no less than 12 months over the last 24 months, except of those who previously were in full-time secondary, professional, or higher education (up to the age of 26) or in civil or military service and the gap between the change of the status and the beginning of the insurance record was not more than 3 months. Since January 1ˢᵗ, 2020, 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>= min B (minimum level)
S is a daily compensatory salary; S<= (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.

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[97] 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

Since January 1st, 2018 the minimum maternity leave benefit amount (floors) could not be lower than 6 BSA, i.e., 228 EUR. Since January 1st, 2019, due to reform in the social insurance contributions, the maternity benefit is equal to 77.58% of the recipient's compensatory income[98]. No changes in 2023.

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 o 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. 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 2022-2023.

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

As social insurance contribution information 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 year[99] (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.

2.5.7. Paternity leave benefit (bplct_s)

- *Brief description*

The benefit was introduced in 1st July 2006 and is granted on the basis of *the Law on Sickness and Maternity Social Insurance*. It could be claimed by a father (adoptive father) who has a new-born child. The benefit is paid up to one month (from the child birth until the child reaches the age of one month). Since January 1st, 2020 fathers are free to choose the month of paternity leave during their first year of parenting.

- *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, a father (adoptive father) must have no less than 12 months over the last 24 months of contribution history, except of those who previously were in full-time

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[98] 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

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

secondary, professional, or higher education (up to the age of 26) or in civil or military service and the gap between the change of the status and the beginning of the insurance record is not more than 3 months. Since January 1st, 2023, the required contribution period has been reduced to 6 months over the last 24 months of contribution history[100].

There is a statutory requirement to have a legal acknowledgement of the fatherhood of the child in case child was born outside marriage.[101]

- *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). It was equal to 100% of AMII in 2017. Since 1st January 2017, the amount of paternity leave benefit cannot be lower than 20% of country's average monthly salary for the previous quarter (AMSp) before the right for benefit receipt.[102]. Also, it cannot be higher than the amount of 2 AMSp.

Since January 1st 2018 the minimum paternity leave benefit amount (floors) could not be lower than 6 BSA, i.e. 228 EUR. Since January 1st, the maximum paternity benefit amount (ceilings) could not be higher than 2 times the national AMS, i.e., 1752.8 EUR.

Since January 1st, 2019, due to changes in social insurance contributions, the paternity benefit is equal to 77.58% of the recipient's compensatory income[103].

As of January 1st, 2021, self-employed persons[104] 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 period[105]. 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. No changes in 2022-2023.

EUROMOD note:

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[100] 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.

[101] 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

[102] Based on the following law 2016-06-28, No. XII-2501 „Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 pakeitimo įstatymas". 2016, No. 20641.

[103] 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

[104] 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.

[105] 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

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.

2.5.8. Childcare benefit (bmact_s)

- *Brief description*

This benefit is a monthly benefit granted on the basis of *the Law on Sickness and Maternity Social Insurance* in order to support early childcare at home. The benefit is paid to one of the parents (adoptive parents) or a guardian on the childcare leave after the end of maternity leave or paternity leave payment until the child reaches the age of 1 year (or 2 years). If the mother did not receive maternity leave benefit, this benefit would be calculated as of the child's birthday. Since 1st of January 2023, childcare benefit is paid until the child reaches either 1.5 year (18 months) or 2 years (24 months). During the duration of the childcare leave each of the parent has a right to use 2 non-transferable months with higher compensatory rate. Single mothers / fathers have a right to use 4 months with 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.

- *Eligibility conditions*

The benefit is granted if a person, before the first day of childcare leave, have no less than 12 months over the last 24 months of contribution history, except of those in civil or military service and the gap between the change of the status and the beginning of the insurance record was not more than 3 months.
Since January 1st, 2019, in case of adoption, child's grandparents are also eligible to receive childcare benefit. No income test applied. Since January 1st 2022, 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 birth of the child or from the first day after the end of parental leave. Since January 1st, 2023, the contribution history of the last 12 months is considered when calculating childcare benefit during the non-transferable months[106].

- *Benefit amount*

The amount of the childcare benefit is paid as a percentage of the recipient's AMII (see more details in chapter 1.1). Duration and compensation rate of the childcare benefit can be chosen between two available options. It may be paid for 1 or 2 years by decision of beneficiaries.. It is allowed to work (have insured income) and to receive full amount of eligible benefit during the second year. Since January 1st, 2019 the compensation rate for 1-year benefit is equal to 77.58%, and for two years period, the compensation rate is 54.31% during the first year and 31.03% during the second year. The amount of childcare benefit is multiplied with number of births but cannot exceed previous AMII. 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 non-transferable months for each parent is 78%.

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[106] Based on the following law: 'Lietuvos Respublikos ligos ir motinystės socialinio draudimo įstatymo Nr. IX-110 1, 5, 11-1, 16, 19, 20, 22, 23, 24 straipsnių pakeitimo ir Įstatymo papildymo priedu įstatymas'. No. 15179.

Since 1st January 2017 the of childcare benefit amount (ceilings) could not be higher than 2 AMSp.[107]. Since January 1st, 2018, the minimum childcare benefit amount (floors) could not be lower than 6 BSA, i.e., 228 EUR in 2018, 228 EUR in 2019 and 234 EUR in 2020. Since January 1st, 2020, 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 77.58% of the more favourable amount of the earnings on which these benefits are calculated. Since January 1st, 2023, the compensated amount cannot exceed 78%. This is, however, not modelled (see Euromod note below).

If a person has any type of *insured income*, the originally calculated childcare benefit is reduced by the amount of this income during the first year of receipt. It is not reduced during the second year of receipt. Since January 1st, 2021, self-employed persons[108] who have acquired the right to the childcare benefit, get fully paid regardless of their income from self-employment, i.e., the childcare benefit amount will not be reduced, if the person receives income from self-employment during the first year of benefit receipt[109]. The amount of state-funded insurance for a person with the status of an artist is also not considered when paying childcare benefit. If contributions are paid on the incomes which are below 1 minimum monthly wage (MMS), the contributory period is proportionally shortened. The level and duration of benefit entitlement has not changed during the period of 2020-2022 (see Table 2.6.). The most recent changes regarding year 2023 are summarized in Table 2.7. Since 1st of January 2023, if a person has insured income during the non-transferable months, the benefit is reduced (this does not apply to single parents, i.e. the benefit is not reduced). However, the person can have other types of insured income during the other childcare leave months, but the total amount of the benefit and insured income combined cannot exceed 100% of the average monthly compensatory earnings (based on which the childcare allowance was calculated). These conditions do not apply for self-employment income, i.e., the person can have self-employment income throughout childcare leave and it will not affect the benefit amount.

Table 2.6. The rate of childcare benefit, 2020-2023 (as of 1st January)

	2020-2022
Duration	Optional, 1 or 2 years in total
Compensation rate 1st year, %	77.58/54.31
Max. benefit duration the 1st year, months*	12
Compensation rate 2nd year, %	0/31.03
Max. benefit duration the 2nd 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*

Table 2.7. The rate of childcare benefit, 2023 (as of 1st January)

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[107] Based on: SoDra. http://www.sodra.lt/lt/situacijos/noriu-priziureti-kudiki-motinystes-tevystes-ismoka
[108] 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.
[109] 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

	2023
Duration	Optional, 1.5 or 2 years in total
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 1.5-year option or 45% in 1st year/30% in 2nd year for 2 years option
Benefit size multiplied with # of births	Yes, but cannot exceed 78% of the more favourable amount 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*

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 year[110] (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). Alternatively, simulations of opting for different options of childcare benefit are integrated in EUROMOD through the constant $MA_optDef.
- Benefit take-up decisions are not modelled. The recipient is always assumed to be the mother; father if there is no female partner in the household or mother is not eligible.
- It is not possible to distinguish adoptive children from the data, thus childcare benefit for adoptive child's grandparents cannot be simulated.
- 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.
- Reduction of the childcare leave benefit when combined with earnings is not modelled due to data limitations.

2.5.9. Benefit for multiple-birth families (bchmp_s)

- *Brief description*

The benefit was introduced from 1st January 2017 and is granted on the basis of *the Law of Child Benefits*. The benefit is a monthly benefit paid to one of the parents due to the birth of two or more children. The benefit is paid from the birth of the children until the children 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.

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

- *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. 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 in the family. The benefit amount is 4 BSA if two children are born at the same time. If more than two children are born at the same time, the benefit amount increases respectively by 4 BSA per child. So, if three children are born at the same time, the benefit amount is 8 BSA. No changes between 2019-2022.

2.5.10. Student's childcare benefit (bmaed_s)

- *Brief description*

The benefit was introduced in 1ˢᵗ January 2017 and is granted on the basis of *the Law of Child Benefits*. The benefit is a monthly benefit paid to support student's early child care at home for those parents who are not entitled to the childcare benefit. The benefit is paid to one of the parents (adoptive parents) or a guardian during study period and 12 months after graduation until the child reaches the age of 1 year. Since January 1ˢᵗ, 2020, the payment period was extended and the benefit is paid until the child is 2 years old[111].

- *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 formal vocational training or tertiary education programme until reaches the age of 26, or studies (studied) in doctoral studies or medical residency until reaches the age of 30 and according to *the Law on Sickness and Maternity Social Insurance* is not entitled to the 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.* Since January 1st, 2022, student's childcare benefit is also paid for students who are in full-time general education. Furthermore, to avoid double granting of the benefit for a later born / adopted / foster child– the benefit for another child is paid for the care of the youngest child after the first child reaches the age of 2. No changes in 2023.

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[111] 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 paid until the child reaches the age 2. If two or more children are born (adopted) the benefit's amount does not increase.

Since January 1st, 2018, the benefit amount was set to 6 BSA. It corresponds to 234 EUR in 2020. Since 2020, a monthly benefit is paid until the child reaches the age of 2. The benefit amount is 240 EUR in 2021, 252 EUR since 1st of June (276 EUR since 1st of June 2022). Since 2023, the benefit is equal to EUR 294.

2.5.11. Social assistance benefit (bsa00_s)

- *Brief description*

This monthly benefit is granted to families or single persons as a last-resort financial assistance. Social assistance benefit is granted for three months. The application must be re-submitted upon 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).

- *Definitions*

The unit of analysis is family, which consists of partners and their own dependent children. Dependent children are persons aged under 18 or under 24 if in full-time education or unemployed; they cannot be married, cohabiting with a partner nor parents themselves. Since January 1st, 2021, dependent children are also those in full-time higher/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 year[112].

Single persons are persons aged 18 and above:
- who are not married and reside alone;
- who are married childless persons, but residing alone by the court's judgement;
- who are married persons residing alone, as their children are staying with their spouse by the court's judgement.

Family definition for the purpose of granting social assistance includes the following persons:
- spouses or cohabiting couples;
- their children and adopted children under 18 years of age;
- single persons (children) between the ages of 18 and 24 who are unemployed, unmarried and not cohabitating: if they are full-time pupils and students of general education schools and other institutions of formal education.

- *Eligibility conditions*

All family members or single persons during the income calculation period must comply with at least one of the following major conditions (unless specified otherwise).

During the income calculation period, persons over 18 years of age should (those in italic could not be simulated):

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[112]Based on the following Law: 'Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 2 ir 8 straipsnių pakeitimo įstatymas'. No. XIII-3375, 2020-11-05. https://www.e-tar.lt/portal/legalAct.html?documentId=732a064025be11eb932eb1ed7f923910

- be full-time pupils and students of general education schools and other institutions of formal education if under 24 years of age;
- be employed for at least two thirds of the duration of working time or earning at least two third of the MMS;
- self-employed with income of at least a monthly minimum salary;
- reached the retirement age;
- receive pensions (except the state social insurance disability pension granted to a person with the lowest disability level) or social assistance benefits;
- be the persons who have registered with the state territorial Employment office;
- *be a person nursing (assistance, care) another family member in the manner prescribed by legal acts;*
- *be a person undergoing treatment in an in-patient health care institution for at least a month;*
- *be a woman who is pregnant and less than 70 calendar days are left before a baby is due (28 or more weeks of pregnancy);*
- be 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**;**
2. Persons from 16 and up to 18 years of age should attend institutions of formal education; be disabled, registered with the state territorial labour exchange (i.e. unemployed) or *pregnant women*.
3. Persons under 16: included unconditionally.

The benefit is granted to families or single persons if they pass the following assets and income tests: 1) the value of *family's* or person's assets does not exceed the *ratio of state established property value* (RP) and if 2) the *average* family or person's *income* (IL) is lower than 1 SSI per each family member. Since 1st of June, 2020, the eligibility conditions for the social assistance benefit were eased: the social assistance benefit is paid if average monthly household's income does not exceed 1.1*SSI (140.8 EUR) per person and introduced as a permanent measure (which was a temporary measure introduced due to the novel coronavirus since 1st of June, 2020).

- *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 <= 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.[113] 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 (60m^2 for the 1st person + 15m^2 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 plot 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,[114] in towns and villages – 25 Ares;
- agricultural purpose land (if the plot does not exceed 1 hectare[115]): 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 and villages – 3.5 hectares;
- other non-industrial purpose land: in cities – 6 Ares, in towns and villages – 3.5 hectares.
- if a person does not have a land - the value of the notional size of the land plot is based on 1 hectare of agricultural purpose land.

RM is the "ratio of value of movables", which is calculated per family member:
- 45 SSI for the first person aged 18 or above;
- 30 SSI for each additional person aged 18 or above;
- 15 SSI for each person (child) under 18 years old.

As of the 2nd quarantine (officially since 7th of November, 2020), the assets test is temporary not applied for 6 months. Since June 1st, 2020, the permanent reform came into force: the assets test will not be applied for at least 3 months for persons either applying for the social assistance benefit

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[113] Based on Methodology of Asset Evaluation (*Turto vertinimo metodika*),

[114] 1 Are = 100 square meters

[115] 1 Hectare = 10000 sq. meters or 100 Ares

for the first time, or 24 months after receiving the social assistance benefit[116]. The assets test is not applied until 30th of April, 2024[117].

- *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-test[118] unless otherwise specified (**those in italic could not 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);
- all types of pension benefits *(except of nursing allowances and compensations for pension cuts)*; as of 2019 onwards, 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;*
- alimony;
- all regular income of a social nature, i.e., state transfers, *with the exception of compensations of transport costs for the handicapped and compensations for donors. Since 2020 newly introduced temporary childcare allowance is not included into IL,* since 2012 regular social benefits for children (including 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;
- both lump-sum and regular non-contributory child benefits are excluded from the income test as of 2018 onwards[119];
- unemployment social insurance benefit, severance pay or compensation paid upon the termination of an employment contract or upon the dismissal of public servants; as of 2020, 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 4*SSI;*

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[116]Based on the following Law: 'Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymas'. No. XIII-2883, 2020-05-07.

[117] Based on the following law: 'Lietuvos Respublikos piniginės socialinės 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.

[118] 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

[119] Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 1, 4, 8, 10, 17, 20, 23 ir 25 straipsnių pakeitimo įstatymas

- *cash resources received as a gift;*
- *inherited cash resources;*
- *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 from individual activities, including the income received from engaging in the activities with a business certificate; from 2019 onwards excluding income from individual activity of individuals under 18 years old[120]; from 2020 onwards 70% of income from individual activities (except income from individual activity of persons under the age of 18) is included into IL[121]; income from agricultural activities *(except of income from gardens of members of gardeners' societies, the area of land plots of which does not exceed 1 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;
- Wage compensations due the COVID-19 pandemic as of 2020.

- *Income disregard*

Since January 1st 2018, an income disregards has been set based on the household type. Part of family's (person's) average income from work included into income test is disregarded (see below). Since January 1st, 2019, children (adoptees) older than 18 years shall be included in the household composition if they receive income (self-employment income) lower than of 1 SSI[122]. The income disregard was increased by 5 p.p. since June 2020 within the package of Covid-19 measures. Since January 1st, 2021, increase of income disregard by 5 p.p. in 2020 is implemented as a permanent policy measure. Additionally, part of unemployment social insurance and the temporary jobseeker's benefit are included into income disregards. No changes in 2022-2023.

Table 2.7. Levels of income disregard based on household type, 2020-2023 (as of 1st January)

Household type	2020	2021-2023
For persons living together without children (adoptees) or for single person	15%	20%
For persons living together and raising one or two children (adoptees)	20%	25%
For persons living together and raising three or more children (adoptees)	25%	30%
For single parents, raising one or two children (adoptees)	30%	35%
For single parents, raising three or more children (adoptees)	35%	40%

Note: the rate of the income disregard was increased since June 2020.

- *Benefit amount*

From 1st January 2012 equivalent scales for the social assistance benefit were introduced:

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[120] Based on the following law: 2018-12-11, No. XIII-1733,, Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 17 straipsnio pakeitimo įstatymas". 2018, No. 20995

[121] Based on the following law: „Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 17 straipsnio pakeitimo įstatymas". 2019-07-03, Nr. 10931

[122] Based on the following law: 2018-12-11, No. XIII-1733,, Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 17 straipsnio pakeitimo įstatymas" 2018, No. 20995.

- for a single person or first person in a family the benefit is calculated as the difference between income and 100% x SSI;
- for the second person in a family - 80% x SSI;
- for the third and following person in a family- 70% x SSI.

Since 21st of May 2020, the amount of the social assistance benefit was increased due to the coronavirus:

- For a single person:
  - 1.4*SSI for the first 6 months;
  - 1.2*SSI for subsequent 6 months;
  - 1.1*SSI after 12 months.
- For households:
  - For the first person in a family the social assistance benefit is calculated as the difference between income and 1.1*SSI;
  - for the second person in a family – 0.9*1.1*SSI;
  - for the third and a following person in a family- 0.7*1.1*SSI.

In-work social assistance benefit for former long term unemployed paid during the first six months of employment is calculated as 50% of social assistance benefit paid before the employment (effective from 01 01 2012). Since January 1st 2019, the additional part as 50% of in-work social assistance benefit is paid for those unemployed for at least six months for the first six months of employment, but not longer than 12 months[123]. Due to the coronavirus in 2020, the in-work social assistance benefit for a former long term unemployed was increased: 100% social assistance benefit amount for the first 3 months, 80% - for the next three months, 50% - for the rest 6 months (in-work benefit is paid for 12 months). These rates remained in 2021 as a permanent policy measure. No changes in 2022-2023.

Since January 1st 2019, social assistance benefit is not paid for 3 months if a person participates in the employment programs prepared by the Municipal administration.

Benefit amount is reduced for single person able to work but not working or family of a person able to work but not working and receiving benefit during the long period. Benefit amount is reduced for single able-bodied working-age unemployed recipient or their family 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 benefit payment is cancelled for 24 months for single unemployed person or their family excluding children.

The calculated social assistance benefit should be equal to at least EUR 1.45 in order to be paid.

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

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[123] Based on the following law: 2018-10-01, No. XIII-1403 „Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 8, 10 ir 21 straipsnių pakeitimo įstatymo Nr. XIII-949 pakeitimo įstatymas",. 2018-07-05, No. 11464

of dwelling and land in the national SILC data. The following imputations have been made (except for the second part of 2020 and for 2021):

- Residential property: actual size based on the EU-SILC variables on housing characteristics (area in m2); notional size as described above (60m^2 for the 1st person + 15m^2 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.
- Social assistance benefit for the former long-time unemployed during the first six months and since 2019 for up to 12 months of employment is not simulated due to data constraints (but can be switched on for HHoT data).
- Due to data limitations, it is not possible to distinguish the persons who participate in employment programs, therefore social assistance benefit suspension for 3 months cannot be simulated in EUROMOD.

Due to the coronavirus (Covid-19) the eligibility conditions for social assistance benefit were temporary eased, the level of income disregard was increased by 5 p.p and the assets' test was temporary not applied during the state of emergency and for 6 months following the end of quarantine. Lastly, the amount of the social assistance benefit was increased by applying more generous social assistance equivalence scale. A detailed description of the social assistance benefit reforms describing all temporary reforms implemented during the coronavirus can be found in section 2.8.

2.5.12. Unemployment social insurance benefit (bunct_s)

- *Brief description*

This monthly benefit is organized via compulsory insurance system and covers individuals receiving remuneration for work.

- *Definitions*

The unit of analysis is the individual. *Unemployed person* – unemployed or partially employed *working age* person:

- who does not study full-time,
- is registered with the local Labour Exchange Authority,
- does not receive an early retirement old-age pension and
- is ready to start working

- if a person has not been offered a workplace or active labour market policies by the Employment Service and a person has had 1 year of unemployment insurance in the last 2.5 years[124].
- If an unemployed person does not have the required unemployment insurance record, a person will be eligible for unemployment insurance if she/he has completed compulsory primary military service or 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 compulsory primary military service or alternative national defence service.

- *Eligibility conditions*

- Eligible people are the working age persons, who are defined as aged 16 up to the old age retirement limit. The required service record is 12 months during previous 30 months since July 2017 (18 months during previous 36 months before that) and a person must be actively looking for a job. Since July 2017 benefit duration is set to 9 months not depending on the unemployment insurance history. By two months - if on the last unemployment payment day, a person has no more than 5 years until the old-age retirement age, and if a person does not receive an early retirement old-age pension.
- By actual number of sickness days (max one month) – if a person gets sick during the time of unemployment benefit payment.
- By the maternity leave period (based on the rules of maternity benefit) – if a woman gets entitlement right to maternity benefit when the unemployment benefit is paid.
- For municipalities, where the average ratio of the registered unemployed people and announced last working age population of the last quarter is at or above 1.5 times the national average ratio, the duration of unemployment benefit payment can be extended by two months. The decision is of discrete nature and is taken by the Tripartite Council and the Ministry.

Since January 1st, 2017, the unemployment social insurance benefit cannot be paid together with compensations for special working conditions and state social assistance pensions obtained for other persons. Since January 1st, 2017, if unemployed person has a right to receive a social insurance benefits, such as: sickness benefit, vocational rehabilitation, maternity (paternity) or childcare social insurance benefits and was not registered with the local Employment Services, the unemployment social insurance benefit is started to be paid after the end of other social insurances payment time[125]. Since January 1st, 2023, if the unemployed person does not have the necessary unemployment insurance record, they will be able to receive unemployment insurance benefits if they have completed mandatory initial military service or alternative national defense service or have been released from permanent mandatory initial military service, during which they received basic military training. In such a case, the unemployed person must acquire the status of unemployed at the Employment Service within 6 months after being released from mandatory initial military service or alternative national defense service[126].

- *Income test*

No income test applied.

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[124] Based on the following law „Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 5, 6, 8, 10 ir 11 straipsnių pakeitimo įstatymas". 2017-12-29, Nr. 21633

[125] Based on the following law: 2016-12-20, No. XIII-149 "Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 3, 4, 6, 14, 15 ir 18 straipsnių pakeitimo įstatymas". 2016, No. 29782

[126] Based on the following law: 'Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 5, 6, 8, 10, 11 ir 18 straipsnių pakeitimo įstatymas'. No. 24176.

- *Benefit amount*

The benefit amount comprises fixed and variable components (see Tables 2.9-2.10 for details). The unemployment social insurance benefit cannot be paid together with the old-age pension (as well as an early retirement old-age pension). The unemployment social insurance benefit is reduced by the amount of other pensions, in case a person has a right to receive a few other social insurance pensions at the same time: state social insurance pensions, state social assistance benefits/pensions or state pensions (except survivor and orphan pensions), also work incapacity periodical compensations due to occupational injuries and occupational diseases, also vocational rehabilitation, maternity, paternity or childcare social insurance benefits. Since July 1st, 2021, the unemployment social insurance benefit is not reduced if a person receives social security pensions or state social assistance benefits[127]. Since January 1st, 2023, 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.

Table 2.9. Characteristics of unemployment social insurance benefit in 2020-2023 (as of January 1st)

		2020-2023
Benefit amount	Constant part: % of minimum monthly wage	23.27%
	Variable part:	
	% of former earnings during the first three months	38.79%
	% between the fourth and sixth month	31.03%
	% between the seventh and ninth month	23.27%
Benefit ceiling	% of the gross average wage	58.18%
Duration		9 months + extra 2 months for special groups
Required contribution history		12 months during the last 30 months

Table 2.10. Characteristics of the unemployment social insurance benefit, 2020-2023

		2020-2023
Eligibility	Contribution period	12 months during the last 30 months
	Other conditions	Age 16-retirement age; actively looking for a job
	Eligibility of self-employed	Not eligible*
Payment	Contribution base	Gross earnings, no contribution ceiling
	Basic amount	23.27% minimum wage
	Additional amount	% of former earnings reducing with time
	Floor	n/a
	Ceiling	58.18% of the gross average wage
Duration	Standard (in months)	9

[127] Based on the following law: " Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 13 straipsnio pakeitimo įstatymas", 2021-05-27, No. XIV-360.

	Special cases (in month)	+2 months for special groups
Subject to	Taxes	n/a
	SIC	n/a

Note: 2017(I) – before June 1st; 2017(II) – after June 1st. * Except owners of individual enterprises, small community members and members of genuine partnerships.

Since January $1^{st,}$ 2020 a person, who receives unemployment social insurance benefit and is identified as working illegally, must return the unemployment benefit amount for the period of illegal work[128]. If person notifies on the authorities responsible for the control of illegal work, then the unemployment benefit must not bet returned. No changes in 2021-2022. Since January 1st, 2023, the unemployment benefit is 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 Employment Services, but no earlier than the day if 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.

EUROMOD note:

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

Unemployment duration (lunmy_s) is set equal to the maximum of observed unemployment duration (lunmy) and observed benefit receipt (bunmy). If modelling unemployment benefit for those currently employed, unemployment duration is set equal to the reported number of months in employment in the current year (liwmy), after contribution history (see the next step) is modelled. It is effectively also assumed that 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_earns != 0 & lunmy_s = 0 & bunct = 0), this is used.

- For those currently unemployed (lunmy_s > 0) and in receipt (bunct > 0), this is set at least equal to 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).

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[128] Based on the following law "Lietuvos Respublikos nedarbo socialinio draudimo įstatymo Nr. IX-1904 7, 8, 12, 13, 15, 17 ir 18 straipsnių pakeitimo įstatymas". 2019-12-21, Nr. 20993

Benefit duration (bunmy_s) is calculated according to the rules above, using modelled contribution history, while also controlling for the unemployment duration (lunmy_s). Extended duration due to sickness or maternity leave is ignored. For currently employed, a further cap is imposed corresponding roughly to the average duration observed in administrative sources (and national SILC data).

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 unemployment social insurance benefit rules. For those currently unemployed and not in receipt, imputed wage is used. Finally, benefit amount is adjusted with the number of months in receipt (bunmy_s).

Extended payments for municipalities, where the average ratio of the registered unemployed people and announced last working age population of the last quarter is at or above 1.5 times the national average ratio, is not modelled due to discrete nature and data limitations.

Previous earnings by default are modelled based on the imputed wage (yivwg), as the inverted wage (yempv) reflect the lower benefit amounts according to the old use. To switch from the calculations based on the imputed wage to those based on the inverted wage, the constant $ImuputedWage 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 unemployment benefit. Tax compliance adjustments may be switched on to adjust simulations.

2.5.13. Long-term work benefit (bunct01_s)

- *Eligibility*

Since July 1, 2017, the long-term work benefit fund has been introduced and administered by Sodra (Social Insurance Fund). Employees, who have been employed by the same employer for more than 5 years or more, in case of redundancy, are eligible to receive the long-term work benefits. The benefits are paid to all employees who have worked under employment contracts, except for those fired from budgetary institutions and the Central Bank. Benefits are paid to those employees who had been fired after July 1st, 2017.

- *Amount*

If an employee worked between 5 to 10 years, he/she got the benefit equal to 1 previous salary payment; 10-20 years – 2 previous salaries payment; 20 years or more - 3 previous salaries payment. The benefit was paid for those who were made redundant after July 1st, 2017. Since January 1st 2019, due to a tax reform the benefit compensation rate is equal to 77.58%. Since January 1st, 2020, the long-term work benefit amount is calculated on the basis of the administrative data and on person's average insured income[129]. No changes in 2021-2023.

EUROMOD note:

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[129] 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

The policy is modelled starting policy year 2018. The following assumptions are made: number of years worked is proxied by the total working history assuming 3 working positions on average 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 eligible for unemployment benefit. Work in the budgetary institution is proxied in the following way: not working in defence /administration, education, health or social services, not a public servant.

2.5.14. Compensation for heating costs (xhcht_s)

- *Brief description*

People struggling to pay their heating bills are offered financial compensations. The compensation is means-tested and depend on family income and assets.

- *Eligibility conditions*

Heating compensation can be obtained by calculating how much a family or person spends on heating per month. Since January 1st, 2022, the amount SSI used to calculate the compensation for the costs of heating a home has been doubled. It has been established that the part of the bills for the heating of a home is compensated if bills exceed 10% the difference between the income of a family or a single person and 2*SSI (EUR 256 in 2022, EUR 314 in 2023) for each family member or 3*SSI (EUR 384 in 2022, EUR 471 in 2023) for single persons.

Table 2.5.14.1. SSI amounts for persons who have declared their place of residence or rented a dwelling, 2021-2023

	2021	**2022-2023**
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

- *Income test*

Compensation for heating costs of a home is provided regardless of the method of heating, i. y. both for district heating and other fuels (firewood, coal, gas, etc.). The standard of useful floor space is used to calculate the compensation:

- 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; second - 12 m2; for the third and each subsequent - 10 m2.

The assets test is not applied until 30th of April 2024. However, when calculating income, income from movable and immovable property that must be registered is included e.g., income from the rental or sale of land, housing, car and other property.

Table 2.5.14.2. Normative size of the dwelling, 2021-2023

	When 1-2 persons have declared their place of residence in the dwelling	**When 3+ persons have declared their place of residence in the dwelling**
1st person	50 m2	38 m2
2nd person		12 m2
3rd person		10 m2 for each person

EUROMOD note:

Modelled with assumptions on average monthly heating costs

2.5.15. Compensation for water costs (xhcwt_s)

- *Brief description*

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

- *Eligibility conditions*

The amount of drinking water consumed is also taken into account; it should be, depending on the number of household members and the way the hot water is prepared, as follows:

When district 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, 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:

Compensation for:

- 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

- *Income test*

Drinking water compensations can be obtained when the costs for cold water and wastewater exceed 2% of personal or family income. Hot water compensations can be obtained when the costs for hot water and its preparation exceed 5% of personal or family income.

ERUOMOD note:

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

2.6. 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 for contributions introduced since 2018 and ceilings for contributions introduced since 2019. 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.

2.6.1. 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. Since January 1st, 2019, due to social insurance contribution reform, most of social insurance contributions that were previously paid by employers were shifted to employees. Furthermore, a reduced health social insurance rate of 6.98% was implemented (Table 2.11).

Table 2.11. Employee's social contribution rates (% of gross salary), effective on 2020-2023

Employee's social insurance contributions	2020-2021	2022-2023
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 second pension pillar an additional contribution of 1.8% or 3% is applied. Since 2022, 1st contribution rate increased up to 2.7% with the state subsidy of 1.2%.*

Since January 1st 2019, income from which social security employee and employer contributions should be paid until 120 AMS (average monthly salary). In 2020 this ceiling was reduced to 84 AMS. Since 2021 the ceiling was further reduced to 60 AMS, but now only applies to employee contributions (employers pay contributions without a ceiling).[130] The ceiling does not apply for healthcare contributions nor to funded pension scheme. Since January 1st 2022, sickness social insurance contribution rate were reduced to 1.99%, while maternity social insurance contribution rate increased up to 1.81%. Thus, the total part of the employee social contributions remains the same. No changes in 2023.

2.6.2. Employer social insurance contributions (ils_sicer)

Public or private sector employers paid 31% of employees' gross wages and salaries as social insurance contributions, which were split into six components in 2018, as indicated in Table 2.12.

Since January 1st, 2018, social insurance contribution floors have been introduced, meaning employers have to pay social insurance contributions not lower than from MMS for those employees whose monthly salaries are below the MMS. However, the floors are not applicable for certain groups: if an employee works in more than one work position; if an employee gets old-age or work incapacity pension; if an employee is under 24; if an employee is insured by the government; if an employee received maternity/paternity or childcare social insurance benefit.

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[130] 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.

Additionally, 0.2% of gross salary was paid by employers to the Guarantee Fund (*įmokos į garantinį fondą*) in 2018.[131] Since January 1st, 2019, due to social insurance contribution reform, the rate was set to 0.16%.

Since January 1st, 2019, social insurance contribution reform was implemented, where the majority of social insurance contributions were shifted to employee, with fewer contributions left for the employer (see Table 2.12). Even though the contribution rates have been changed, employers are still responsible to pay all types of contributions of behalf of their employees. No changes in 2020-2023.

Since January 1st, 2019, income from which social security employer and employee) contributions should be paid are capped at 120 AMS (average monthly salary). In 2020 this ceiling was reduced to 84 AMS. Since 2021 the ceiling does not apply for employer contributions and but continue to be applied a reduced to 60 AMS ceiling to employee contributions[132]. The ceiling does not apply for compulsory health contributions not to the contributions for the funded pension scheme. No changes in 2022-2023.

Table 2.12. Employers' social insurance contributions (% of gross salary), effective on 2020-2023

	2020-2023
1. Pension social insurance	n/a
2. Sickness and maternity social insurance	n/a
3. Unemployment social insurance	1.31***
4. Health insurance	n/a
5. Employment injuries and occupational diseases social insurance*	0.16
6. Long-term work benefit fund	0.16
7. Contributions to the guarantee fund	0.16

Notes: * *Main rate. Other rates may apply ranging from 0.18% to 1.8% before 2019 and from 0.14% to 1.4% since 2019 according to the group to which the insurer belongs. ** For fixed-term work contract – 2.8 %. *** 2.03 % for fixed-term contracts.*

EUROMOD note*:*
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 working position; 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.

2.6.3. 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 include unemployment, pension and/or health social insurance contributions.

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[131] Resources from the Guarantee Fund are allocated to current and past employees of bankrupted enterprises, which are indebted to employees.

[132] 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.

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 for basic and supplementary parts of pension and for unemployment social insurance. Only one of the parents can be insured.
- Priests of accepted confessions and monks working in monasteries are compulsorily insured for basic social insurance pension.
- One of the pre-pension age parents (stepparents) or guardian (curator) taking care after disabled has no taxable income, he/she is insured for basic and supplementary pension parts and for the unemployment social insurance.
- Conscripts are insured for all types of social insurance.
- Vocational, tertiary school students and individuals who are directed by territorial job centre for vocational training are insured for employment injuries and occupational diseases social insurance for training period.
- Individuals in social or psychological rehabilitation institutions who get a salary are insured for employment injuries and occupational diseases social insurance during labour hours.
- Prisoners who get salary are insured for 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 with pension, sickness, and maternity benefits.
- Unemployed spouses of public servants in an international service are insured for pension, maternity, and unemployment benefits.
- Artists not receiving income are insured for basic and supplementary pension parts and for the sickness and maternity benefits.
- Since January 1st 2019 cadets, carrying out military service while studying at a military training institution.
- Since January 1st, 2019 interns are insured during their professional practice period at the institution of enterprise.
- 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 pension, sickness and maternity social insurance at the state's expense, calculating 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 2018-2021 are indicated in the Table 2.13.

Table 2.13. Contributions for pension social insurance (employer's part) and unemployment insurance (% of gross salary), 2020-2023

	2020-2023
Contributions for pension social insurance	8.72
Unemployment insurance	1.31

The contributions for credited health social insurance contributions are flat rate and approved annually. It is calculated as a percentage of the two-year previous average monthly wage for four

quarters (41% in 2018, 44% in 2019, 47% in 2020)[133]. Annual amounts of health social insurance contributions per person were as follows: EUR 438 per year (36.5 per month) in 2020, 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[134].

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 and are willing and able to work);
3. Unemployed persons of the working age who have compulsory contributions history for the state social old-age pension;
4. Women on maternity leave and unemployed pregnant women 70 days before childbirth and 56 days after 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 social assistance benefits;
9. One of (foster) parents or guardians who nurse at home a person with disability up to 24 years old (with some exceptions up to 26 years old) or a person who requires permanent nursing;
10. Persons who have disability of any level;
11. Persons infected with communicable diseases that are dangerous for society and included into a special list;
12. Participants of the resistance struggles;
13. Persons who helped to liquidate the outcomes of the Chernobyl accident;
14. Ex-prisoners of the ghetto and fascist's prisons;
15. Priests and monks of the traditional religious communities and students of the priests' academy;
16. Persons who participated in the Afghanistan war;
17. Unaccompanied underage foreign citizens;
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. Since 1st January 2012 artists not receiving income.

Since January 1st 2019, those who choose to participate in the 2nd pension pillar, additional contributions are also made with state subsidies from the state budget: 0.3 % of the average wages of the previous year for those participating with 1.8-2.4%, and 1.5 % for those participating with 3 %. Since January 1st 2022, 1st contribution rate increased up to 2.7% (those who previously participated with 1.8-2.4%) with the state subsidy of 1.2%. Since January 1st, 2023, 1st contribution rate increased up to 3% with the state subsidy of 1.5%.

EUROMOD note:

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[133] Source: " Lietuvos Respublikos sveikatos draudimo įstatymo Nr. I-1343 6, 16, 17 ir 18 straipsnių pakeitimo įstatymas"https://www.e-tar.lt/portal/legalAct.html?documentId=0dff20b07c4d11e8ae2bfd1913d66d57

[134] Source: "Lietuvos respublikos 2012 metų valstybės biudžeto ir savivaldybių biudžetų finansinių rodiklių patvirtinimo įstatymas" 2011 m. gruodžio 20 d. Nr. XI-1823 and relevant ammendments.
"Lietuvos Respublikos 2014 metų valstybės biudžeto ir savivaldybių biudžetų finansinių rodiklių patvirtinimo įstatymas" 2013 m. gruodžio 12 d. Nr. XII-659 and relevant ammendments.

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, 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 lack of information on their status.

2.6.4. Self-employed social contributions (ils_sicse)

Self-employed persons, with the exception of the persons engaged in individual activities under business certificates, have to pay social insurance contributions. Table 2.14. below show total social insurance contributions rates for self-employed, which were effective on 1st January 2019-2022.

Table 2.14. Social insurance contributions (%) for self-employed, 2020-2023

	2020-2023
Self-employed persons*	13.83
Self-employed persons engaged in individual activities**	12.52
Self-employed persons engaged in individual activities under business certificates	8.72
Self-employed persons engaged in individual agricultural activity when the economic size of holding is equal to 4 or more	12.52
Family-type guardianship institution	12.52

*Note: *owners of individuals enterprises, 'real members' of agricultural communities, persons engaged in individual agricultural activities, members of small communities; **lawyers, lawyers advisers and other person, except persons under business certificates.*

Since January 1st 2019, self-employed persons pay total rate of 13.83%, self-employed persons engaged in individual activities under business certificates pay 8.72% and other types of self-employed persons pay total rate of 12.52% (see Table 2.14. above). No major changes thereafter except increased 1st rate a state subsidy level to 2nd pillar pension contributions. Since January 1st, 2022, 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 January 1st, 2023, 1st contribution rate increased up to 3% with the state subsidy of 1.5%.

Since January 1st, 2018, the social insurance contribution "holidays" were introduced for owners of individual enterprises, members of small communities, real members of the partnerships, farmers and their partners and individuals pursuing their individual activities. Those self-employed persons are allowed not to pay social security contributions for one year from the start of their first activity[135].

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[135] Based on the following law: 2017-12-05, No. XIII-823 „Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymas". 2017, No. 20047.

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 contributions (that period is not accounted for) if: 1) they receive social insurance old-age pension or lost working capacity (disability) pension in accordance to *the Law on State Social Insurance Pensions*; 2) have reached retirement age.

As of January 1st, 2021, self-employed persons who social security contributions for themselves, if their total indebtedness to the Fund is between 125-1500 EUR, the payment of interest on arrears of social security contributions may be deferred for up to one year. If 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.

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.

The maximum annual base for contributions in 2018 is 28 average monthly salaries per year. The maximum annual base for contributions for farmers and their partners was set to 14 average monthly salary per year in 2018[136]. As of January 1st, 2019, for persons engaged in individual activities, farmers and their partners and family-type guardianship institutions, the maximum annual base for contributions is set to 43 average monthly salaries per year[137]. No major changes in 2020-2023.

Social insurance contributions also must be paid on income from sports, performing or authorship/copyright agreements. Since January 1st 2018, the social insurance contributions base for self-employed persons engaged in individual activities and also for those who receive income from sports or authorship agreements comprises 50% of the taxable income of individual activities (excluding compulsory health insurance, social insurance contributions). The basis for the social insurance contributions of farmers and their partners is the amount of taxable income of 50% of the agricultural activity of each person (excluding compulsory health insurance, social insurance contributions)[138]. If income received by farmers and their partners, according to the law, is not taxable, and they do not declare the income from individual agricultural activities, the social insurance contribution base is equal to the sum of 12 times MMS approved by the Government. As of January 1st, 2019, for persons, engaged in individual activity and for farmers and their partners the contribution base is 90% of revenue, where revenue is income minus actual expenses or expenses of 30%[139]. No major changes in 2020. 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 contributions (that period is not included in the length of social insurance they are not considered to be covered by social insurance) if: 1) they receive social insurance old-age pension or lost working capacity (disability)

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[136] Based on the following law: 2017-12-05, Nr. XIII-823 "Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymas". 2017, Nr. 20047.
[137] Based on the following law: 2018-12-11, No. XIII-1721 "Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymo Nr. XIII-823 5 straipsnio pakeitimo įstatymas" 2018. No. 20975.
[138] Based on the following law: 2017-12-05, Nr, XIII-823 "Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 2, 3, 8, 10, 11, 12, 13, 19, 25, 35 ir 40 straipsnių pakeitimo įstatymas". 2017, Nr. 20047.
[139] Based on the following law: 2018-12-11, Nr. XIII-1720 "Lietuvos Respublikos valstybinio socialinio draudimo įstatymo Nr. I-1336 10, 15, 16, 32 ir 34 straipsnių pakeitimo ir Įstatymo papildymo 34-1 straipsniu įstatymas". 2018, No. 20974.

pension in accordance to *the Law on State Social Insurance Pensions;* 2) have reached retirement age.

Self-employed persons engaged in individual activities under business certificates compulsorily pay social insurance contributions for the basic pension part. Since January 1st, 2019, 8.72%. compulsory social insurance contributions for pensions' rate have to be paid from the amount of MMS. No major changes in 2020. 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.

Table 2.15. shows minimum monthly salary (MMS) and basic monthly pension (BMP) levels and state defined annual amounts of contributions for social insurance applicable to the self-employed. State defined annual contribution amounts were often used in practice in order to reduce ambiguities due to accrued changes in applicable MMS or BMP amounts.

Table 2.15. Monthly MMS, MHW, BMP levels and amounts of annual contributions effective on January 1, 2020-2023 (EUR)

	2020	**2021**	**2022**	**2023**
Minimum monthly salary (MMS)	607	642	730	840
Average MMS that year (AMMS)	607	642	730	840
Minimum hourly wage (MHW)	3.72	3.93	4.47	5.14
Basic monthly pension (BMP)	180.95	198.29	215.09 (225.84)*	246.21
Average monthly BMP that year (ABMP)	180.95	198.29	215.09 (225.84)*	246.21

Sources: Based *on „Lietuvos Respublikos Vyriausybes nutarimas "Dėl minimaliojo darbo užmokesčio didinimo", its relevant amendments and changes. Information available at:* http://www.sodra.lt*.* Note: * amounts in the brackets correspond to changes of the BMP as part of the anti-inflation measures package since 1st of June.

Compulsory health insurance contributions for the self-employed:

Since January 1st, 2019, the compulsory health contribution rate of 6.98% is applied for taxable income of 90 % for people engaged in individual activities. No changes were made afterwards.

Table 2.16. Minimum annual contributions for the compulsory health insurance paid by self-employed, effective on January 1st, 2020-2023

	2020-2023
Annual contributions	6.98 %*12*MMS

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

EUROMOD note:
Self-employment in the model is determined by the person having self-employment income.
- Social insurance contributions paid on income from sports, performing or authorship/copyright agreements are too specific to be simulated in EUROMOD.

2.6.5. Contributions to the funded pension scheme (tsceepi_s, tscsepi_s)

Before 2019 contributions to the funded pension schemes (2nd pillar pension funds) were paid by diverting a fraction of the employee social insurance contributions for those who chose to participate. This was not modelled as had no effect on disposable income. Since January 1st 2019,

every employed or self-employed person may choose to contribute to the funded pension scheme only in addition to the general social insurance contributions. There are two optional contributions rates and a state subsidy for those who participate (Table 2.17). Furthermore, based on the new law, those who receive childcare benefit until child reaches the age of 3 or are covered by the state, do not have to pay to the 2nd pillar pension contribution while getting contributory benefits. However, the state still subsidizes them with 1.5% rate each month.

Table 2.17. 2nd pillar contribution rates (%) to privately managed pension funds and state subsidies (%), 2020-2023 and later years

Year	1st rate and state subsidy (in brackets)	2nd rate and state subsidy (in brackets)
2020	2.1 (0.6)	
2021	2.4 (0.9)	
2022	2.7 (1.2)	
2023 and later years	3 (1.5)	

The contributions are capped. Since January 1st, 2019, income from which social security contributions should be paid are capped at 120 AMS. In 2020 this ceiling was reduced to 84 AMS. Since 2021 the ceiling was further reduced to 60 AMS. The ceiling does not apply for healthcare contributions nor to funded pension scheme.

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. Therefore, based on external statistics, we assumed the participation to 2nd pillar to be in 2019: 18-30 years old - 25% participating with 1.8% rate, 75% - with 3% rate; 31-50 years old – 50% participating with each rate; 51 years old – until the retirement age – 37.5% participating with each (1.8% and 3%) rate and 25% not participating at all. For 2020 these rates are estimated as following: 18-30 years old - 20% participating with 2.1% rate, 80% - with 3% rate; 31-50 years old – 50% participating with each rate; 51 years old – until the retirement age – 33% participating with 2.1% rate, 42% with 3% rate, and 25% not participating at all. As for 2021 the applicable rates are as follow: 18-30 years old - 25% participating with 2.4% rate, 75% - with 3% rate; 31-50 years old – 50% participating with each rate; 51 years old – until the retirement age – 32% participating with 2.4% rate, 43% with 3% rate, and 25% not participating at all. Different participation rates were randomly distributed to each working age employed or self-employed person. 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.

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

In 2018 the compulsory health insurance contributions were set to 9% rate of the taxable income, gross wage or the MMS depending on the group the insured person belongs to. Persons who are not otherwise insured for health social insurance (see Section 2.6.3 for details on credited health insurance contributions), including those who do not receive any taxable income, pay a compulsory health insurance contribution of 9% of the MMS per month since 2009. Since January 1st, 2019 health insurance contributions were set to 6.98% rate. No changes in 2021-2023.

2.7. Direct taxes

2.7.1. Personal income tax (tin_s)

The main tax simulated for Lithuanian tax-benefit system is personal income tax.

- *Tax unit*

Personal Income Tax (*asmens pajamų mokestis*): Personal income tax (PIT) system in Lithuania is an individual system.

- *Exemptions*

Following Verbist (2004), we define exemptions as "income components (that) are part of pre-tax income, but do not have to be declared to the tax authorities, and thus 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, all state social assistance or social insurance benefits, paid from state and municipal budgets or *Social Insurance Fund*, except sickness, maternity leave, paternity leave and childcare benefits, are not subject to personal income taxation.

A number of other non-taxable income types exist. These 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*

We define tax allowances as any amount subtracted from pre-tax income (including social insurance contributions). Differently from Verbist (2004) there is no distinction between those that are fixed amounts (tax allowances) and those whose level is a function of pre-tax income (deductions).

Since the 1st of January 2018 the basic personal income tax allowances with different amounts for disabled people are applied to the employment-related income or to income which conforms to the essence of employment relations (further referred as "employment-related income", see below for explanations).[140]

When estimating the amount of the monthly general personal income tax allowance (applied at the source), only employment-related income is taken into account, which includes:

- 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 work performed.

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[140] For not permanent residents tax allowance can be applied, but only on the annual basis after the annual income is declared.

Sickness, maternity, paternity, childcare benefits and long-term work benefits are also included into the employment-related income.

Since January 1st, 2021, a tax deduction is applied for all studies and vocational training, except for doctoral and postgraduate studies in art[141]. Previously, the tax deduction for studies and vocational training was applied only the first education qualification. The tax deduction is now applied regardless of the number of degrees attained.

The rules applied for calculation and declaration of the 2020

The monthly basic allowance is 350 EUR per month if the resident's monthly income does not exceed 607 EUR per month. If the resident's income is higher, the basic allowance is calculated using the following formula:

The monthly basic allowance= 350 – 0.17 x (monthly employment-related income – 607)

The annual basic allowance is 7284 EUR if the resident's annual income does not exceed 4200 EUR. If the resident's income is higher, the basic allowance is calculated using the following formula:

The annual basic allowance = 4200 – 0.17 x (resident's annual income – 7284)

If the estimated annual basic allowance is negative, it is not applicable.

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.

Due to the coronavirus, the increase in tax allowances enforced from the second half of the year 2020. Since July 1st, 2020, the PIT basic allowance was increased by 50 EUR/month from 350 EUR/month to 400 EUR/month (i.e., from 4200 EUR/year to 4800 EUR/year for those with income below 7284 EUR/year). The withdrawal rate of the tax allowance is increased from 0.17 to 0.19. Maximum amount of income for the PIT basic allowance to apply increased from 2666 EUR/month to 2713 EUR/month, accordingly.

The rules applied for calculation and declaration for the second half of 2020

The monthly basic allowance is 400 EUR per month if the resident's monthly income does not exceed 607 EUR per month. If the resident's income is higher, the basic allowance is calculated using the following formula:

The monthly basic allowance for the second half of 2020= 400 – 0.19x (monthly employment-related income – 607)

The annual basic allowance is 7284 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:

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[141] Based on the following law: 'Lietuvos Respublikos gyventojų pajamų mokesčio įstatymo Nr. IX-1007 21 straipsnio pakeitimo įstatymas'. No. 27623, 2020-12-17. https://www.e-tar.lt/portal/lt/legalAct/f98535e0406a11eb8d9fe110e148c770

The annual basic allowance for the second half of 2020 = 4800 – 0.19x (resident's annual income – 7284)

The rules applied for calculation and declaration of the 2021

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

The monthly basic allowance= 400 – 0.18x (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 – 0.18x (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 rules applied for calculation and declaration of the 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 employment income:

    1)   is between 730 EUR and between 1678 EUR:

The monthly basic allowance= 460 – 0.26 × (monthly employment income – 730)

The annual basic allowance = 5520 – 0.26 x (resident's annual income – 8760)

    2)   exceeds 1678 EUR:

The monthly basic allowance= 400 – 0.18 x (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 – 0.18x (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 and declaration of the 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:

The monthly basic allowance= 540 – 0.34 × (monthly employment income – 730)

The annual basic allowance = 6480 – 0.34 x (resident's annual income – 8760)

2) exceeds 1704 EUR:

The monthly basic allowance= 400 – 0.18 x (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 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 and declaration of the 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:

The monthly basic allowance= 625 – 0.42 × (monthly employment income – 840)

The annual basic allowance = 7500 – 0.42 x (resident's annual income – 10080)

2) exceeds 1926 EUR:

The monthly basic allowance= 400 – 0.18 x (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.

Table 2.18. Personal income tax allowances (EUR per month), as of June 30, 2020-2023

Allowances	**2020**	**2021**	**2022**	**2023**
Basic allowance (highest applicable)				
- General (maximum level)	350 (400**)	400	540	625
- For the disabled of group I (0-25% work capacity)	645	645	870	1005
- For the disabled of group II (30-55% work capacity)	600	600	810	935

*If a person meets more than one of the criteria as indicated in the table, the highest amount is applied. ** 400 EUR from July 2020.*

- ***Tax base***

Tax base is derived from *gross 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,
- the acquisition price of property and expenses related to it,
- basic tax allowances (and particular deductible expenses incurred by a resident (when calculating taxable income of fiscal year).

No deductions can be made to the income from distributed profit (dividends). The expenses incurred by residents can be deducted only from the income that is taxed by 15% rate of PIT.

With respect to the income derived from activities conducted under a business certificate, a fixed amount set by municipal councils is paid.

- ***Tax schedule***

Since January 1st 2018 all types of individual activities are taxed with the 15% personal income tax rate[142] and. an income tax credit was introduced for the self-employed. For those, whose income from self-employment do not exceed 20 000 EUR per year the tax credit is equal to 10% of the tax base. For others, the tax credit is estimated based on the following formula:

Income tax credit for income from individual activity = annual taxable income x (0,1 – 2/300 000 x (annual taxable income – 20 000)).

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[142] Based on the following law: 2017-12-07 , Nr. XIII-841 „Lietuvos Respublikos gyventojų pajamų mokesčio įstatymo Nr. IX-1007 2, 6, 16, 17, 18, 18-1, 19, 20, 22, 24, 27, 29, 33, 34 straipsnių pakeitimo ir Įstatymo papildymo 18-2 straipsniu įstatymas". 2017, Nr. 20568.

Since January 1st, 2019, the main PIT is set to 20% if the annual income amount does not exceed 120 AMS (average monthly salary), and 27% above that threshold. These rates are applied on all employment-related income and also on some forms of non-employment income[143]. Taxable benefits, dividends, and income from individual activities (minus tax credit) and some other types of income are taxed by 15%. Since January 1st 2020, the general PIT rate of 20% remained the same for income not exceeding 84 AMS, and 32% above the threshold. As of January 1st, 2021, the annual threshold is 60 AMS (see Table 2.19):

Table 2.19. Personal income tax rates, 2020-2023

	2020	**2021-2023**
Rates for employment-related income	(20%) < 84 AMS per year (32%) >= 84 AMS per year	(20%) < 60 AMS per year (32%) >= 60 AMS per year
Rates for taxable benefits, dividends, income from individual activities	15%	

Source: based on "Lietuvos Respublikos gyventojų pajamų mokesčio įstatymas"

EUROMOD note:

The taxation of incomes from so called free / non-free occupations were not modelled due to lack of information in EU-SILC.

- *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 his/her own benefit or for the benefit of his/her spouse or minor children (adopted children) or for disabled children (adopted children) under 18 and older who are rated as totally disabled under life insurance contracts which provide for an insurance benefit not only upon the occurrence of an insurance event, but also upon the expiry of the term of the insurance contract.

2. Voluntary pension contributions paid for own benefit or for the benefit of a spouse or disabled children (adopted children) under 18 and older who are rated as totally disabled to pension funds.

3. Payments for vocational training[144] and all other studies (when higher education and/or qualification is obtained upon graduation, as well as doctoral studies and art post-graduate studies). If payments for 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 income tax or has no possibility to deduct payments for studies, those expenses may be deducted from the incomes of his/her parents (adoptive parents), guardians and (or) a spouse.

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[143] Gyventojų pajamų mokesčio (GPM) tarifai, taikomi 2019 m. ir vėlesniais metaishttps://www.vmi.lt/cms/documents/10174/8274962/KD-8860+tarifai+nuo+2019+met%C5%B3/f4d12f92-cb8c-4c5a-bd59-f9317c9507d9

[144] This part was added in 2008.

Payments for childcare services, e.g., babysitters (kindergartens are not considered as childcare) service of children up to 18 years old. The total amount of deducted expenses cannot exceed 25% of the total tax base after deducting tax allowances.

The amount of the tax refund is equal to deductible expenses (i.e., the upper limit) multiplied by the relevant tax rate (main or the reduced rate). The proportion of expenses on which the main (reduced) tax rate is applied is equal to the ratio of incomes, i.e., the main (reduced) tax rate, to total tax base before deducing tax allowances.

Expenses are deducted from income when calculating final income tax liability for the tax period and filing an annual income tax return.

- *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 with the yearly tax declaration.

Generally, compared to withheld income tax, final income tax takes into account several additional aspects:
1. Income from self-employment;
2. Income received by farmers and their partners;
3. Income from property sale or other movable asset;
4. Other received incomes (from agricultural production worth more than 3000 EUR per year since 2015; work incomes from other countries; profit from individual enterprise, dividends received from other countries; more than 600 EUR since 2015 of interest received from EEA countries, incomes from gambling, etc.)
5. 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). Since 2009 annual basic allowance is recalculated, taking into account received taxable income (see part 2.7.1 for details) and deductible expenditures.

EUROMOD note:

It is not possible to distinguish between different disability levels and hence all (self-reported) disabled people are assumed to belong to Group I (0-25% work capacity).

Among deductible expenses only voluntary pension contributions and mortgage interest payments could be simulated given the data availability.

The fee for the business certificate is not simulated due to data constraints in EU-SILC.

2.8. COVID-19-related 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.

2.8.1. Benefits

Sickness benefit *(ligos išmoka) (sickcomp_s)***:** in the event of the emergency or quarantine, there has been quite a few changes in the sickness benefit rules set by the Law on Sickness and Maternity Social Insurance in order to cope with the negative impact on employment:

- **Increased sickness benefit for those who became infected during a performance of their duties -** if a health care professional, official or other employee is infected with the illness for which the emergency is declared (in this case the Covid-19), they are entitled for the sickness benefit of 77.58% of gross salary. Since January 1st, 2021, the sickness benefit for those who became infected during their duties performance continues to be paid during the state of emergency and/or state quarantine and is paid until person fully recovers[145].

  EUROMOD note:
  This aspect of the policy is not modelled due to data constraints.

- **Sickness benefit for those (grandparents, stepparents, carers) taking care of children** under 12, elderly people or people with disabilities (who are not allowed to attend day-care centres, nurseries, schools, etc.) – sickness benefit 65.94% of their gross salary; persons with severe chronic diseases who are affected by the virus-mitigation measures taken by the government – sickness benefit equal to 62.02% of their gross salary. The benefit is issued for up to 60 days, but no longer than the end of quarantine or emergency.
- The measure was extended in September 2020 (by order No. V-2032/A1-833) to cover the period of compulsory self-isolation of up to 14 days for children of up to the fourth school grade or children with disability of up to 21 years of age, as well as during the period of school or childcare facility closures as part of COVID-19 restrictions (Sodra, 2020c).
  EUROMOD note: this aspect of the benefit is not modelled.

- In 2021 this measure was further extended to cover childcare periods (for children of up to the fourth school grade) during the quarantine even if childcare facilities are not closed (additional 14 days).[146] The amounts did not change (see Table 2.20).
- As of January 1st, 2021, the sickness benefit can be also paid for self- employed persons who have paid SIC contributions for at least 3 months over 12 months or 6 months over 24 months. Self-employed persons are eligible to receive sickness benefit regardless of self-employment income during benefit payment period.
  EUROMOD note: this aspect of the benefit is not modelled.

Table 2.20. Sickness benefit for childcare

Age group	Children up to 4 grade; 5 – 12 graders with disabilities
Payment period	Up to 2 months, but no longer than until the end of quarantine
Benefit rate	65.94% of gross salary
Benefit ceilings	200% of AMS * 65.94%

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[145]Based on the folliwing 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'. No. XIV-125, 2020-12-23.
[146]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'. No. XIV-125, 2020-12-23.

Benefit floors	11.64% of AMS

EUROMOD note:
Only modelled for parents and those with disabled children. The payment is modelled for the maximum duration of 30 days for each of the two periods during the quarantine in 2020. Same assumption made for 2021. This policy can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_lt policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the *'Simulating labour market transitions in EUROMOD'* document.

- **Sickness benefit for those who have to stay in compulsory isolation after visiting coronavirus-affected country** is paid for adult people, who have visited a coronavirus-affected country or has been in contact with a person infected with COVID-19, may be subject to compulsory isolation and sickness benefit. The sickness benefit is granted if the country visited by the person is included in the list of affected countries. The benefit is equal to 62.06% of compensatory income and granted if the person does not have the opportunity to work remotely during the period of isolation and has not been declared downtime. Self-employed persons are also eligible to such type of sickness benefit if he/she has accumulated at least 3 months of sickness social insurance over the last yeas or at least 6 months over the last two years.

  EUROMOD note:
  This aspect of the policy is not modelled due to data constraints.

Temporary jobseeker's benefit *(darbo paieškos išmoka)(bunnc_s)*: a newly introduced benefit set by *the Law on Employment of the Republic of Lithuania[147]* that aims to cope with the negative impact on job and income loss. The proposed temporary benefit has come into force in June 2020 and will be paid retrospectively from 15th of May 2020 but no more than for 6 months (until December 31st, 2020). The temporary jobseeker's benefit amount is equal to 200 EUR per month for persons who were previously employed but not yet/no longer are entitled to receive the unemployment social insurance benefits and 42 EUR for those who do (e.g., have at least 12 months of the unemployment social insurance record in the last 30 months). Part of this benefit amount is disregarded when applying household's income test for calculating the social assistance benefit (for more info see Table 2.20. below for deductible percent based on the household type). Since 1st of January 2021, the jobseeker's benefit of 33% of MMS (212 EUR) is available for unemployed persons during the quarantine period and one month after the end of quarantine[148] (officially started since 7th of November, 2020). The eligibility conditions have changed, which considerably reduced the number of benefit recipients. Persons are eligible to receive the benefit in 2021 if they meet the following criteria:

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[147] Based on the following law: "Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 5-1, 20, 25, 35, 37, 38, 41, 42, 43, 44, 47, 55 straipsnių pakeitimo ir Įstatymo papildymo 48-1 straipsniu įstatymas", No. XIII-2882. https://www.e-tar.lt/portal/lt/legalAct/f1954e7095d811ea9515f752ff221ec9?fbclid=IwAR3movTzSgOApmUaxuotd6jCWdCkVYADLOhbFVw1g3_d8G1QL_C6k-4ty1g

[148] Based on the following law 'Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 38, 41, 42 ir 48-1 straipsnių pakeitimo įstatymas'. 2020-12-29, Nr. 28988. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/03587272490e11ebb394e1efb98d3e67?jfwid=32ocqrs00

1) is unemployed not earlier than 3 months before the declaration of an emergency or quarantine;
2) the unemployed person does not participate in active labour market policy measures;
3) is not entitled to receive unemployment social insurance benefit or the period of its payment has expired.

Temporary benefit for the self-employed *(laikina išmoka savarankiškai dirbantiems)* *(ysecomp_s)*: a monthly benefit set by *the Law on Employment of the Republic of Lithuania[149]* and paid from the Guarantee Fund for self-employed persons during the quarantine period (officially since 16th of March, 2020) and for 2 months after the end of quarantine. A monthly benefit of 1*CBN (257 EUR) is paid to self-employed persons[150] irrespective of whether or not their activities were restricted due to quarantine but is not paid to self-employed persons who work under an employment contract. The benefit is not taxable. Since January 1st, 2021, due to change in CBN the temporary benefit for self-employed is equal to 260 EUR (1*CBN) and will be paid during the quarantine and one month after[151].

The self-employed may receive the benefit if they meet all of the following criteria:

- The person has been registered as self-employed for at least 3 months over the last 12 months before the quarantine was announced (until 16th of March, 2020 before the first quarantine, until 7th of November, 2020, before the second quarantine);
- During the emergency and quarantine period, the salary paid to a person under an employment contract or a legal relationship equivalent to an employment relationship does not exceed 1*MMS per month (607 EUR in 2020, 642 EUR in 2021);
- A legal entity does not have the status of a company in liquidation or bankruptcy.

EUROMOD note:

This policy can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_lt policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the *'Simulating labour market transitions in EUROMOD'* document. An assumption of 10% reduction in self-employment income on top of the regular uprating is made when LMA add-on is switched on.

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[149] Based on the following law: "Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 5-1, 13, 24, 35, 37, 38, 39, 41, 42, 44, 49 ir 50 straipsnių pakeitimo įstatymas", No. XIII-2846. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/43d9edd3797d11eaa38ed97835ec4df6

[150] Self-employed persons are: self-employed persons, members of small communities, 'real members' of agricultural communities, self-employed persons engaged in individual activities (lawyers, lawyers' advisers, notaries, bailiffs and other persons), self-employed persons engaged in individual activities under business certificates, Self-employed persons engaged in individual agricultural activity when the economic size of holding is equal to 4 or more, Family-type guardianship institution, persons under business certificates, persons engaged into rental of premises and persons who receive income from sports or authorship agreements.

[151]Based on the following law: , Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 5-1 ir 25 straipsnių pakeitimo įstatymas'. 2020-12-15, Nr. 27343. https://www.e-tar.lt/portal/legalAct.html?documentId=7766c3503edd11eb8d9fe110e148c770

Lump-sum benefit for children (*vienkartinės išmokos vaikams):* 120 EUR are be paid to all children eligible for the universal child benefit and the additional 80 EUR for all children who qualify for the additional child benefit in 2020. No lump-sum benefits for children in 2021.

EUROMOD note:

The lump-sum benefits for children are modelled in two different sections: the universal child benefit (bchnm_s) and the additional child benefit (*bch00_s*) in 2020.

Additional child benefit (*papildoma išmoka vaikui*) **(*bch00_s):*** the income test period is shortened from 12 to 3 months., i.e. past 3 month's (income received from 1st of April, 2020) household income is taken for the mean-test instead of the past 12 months. This 3-month income-test will be applied from July 2020. The shortened income-test period will remain in force for 6 months after the revocation of the emergency and quarantine. Since January 1st, 2021, due to the 2nd quarantine, the 3-month income test is applied again and will remain in force for 6 months after the end of quarantine.

EUROMOD note:

Shortened period for the income test for the additional child benefit is not modelled due to data constraints.

Lump-sum bonus for elderly and disabled (*Vienkartinė išmoka senyvo amžiaus ir neįgaliems asmenims*)**:** is a one-off allowance of 200 EUR for the elderly, disabled, widows and orphans[152]. The one-off bonus is paid to people who are or will receive at least one of the following benefits paid by *Sodra* (by 31st of December, 2020): old-age pension, lost working capacity (invalidity) pension, survivor's or orphan's pension, retirement pensions, compensations for special working conditions, assistance pension and compensation and pensions, designated under international agreements or European regulations. The lump-sum bonus was paid without an individual application in August 2020 for persons who had declared Lithuania as a place of their residence or were included in the list of persons who had not declared a place of residence. No lump-sum bonus for elderly and disabled in 2021.

EUROMOD note:

One-off bonus for elderly and disabled is modelled as part of bonuses on low pensions (*boa_s*).

Social assistance benefit (*socialinė pašalpa) (bsa00_s*): the eligibility conditions for the social assistance benefit were temporary eased: the social assistance benefit is paid if average monthly household's income does not exceed 1.1*SSI (137.5 EUR) per person since 1st of June, 2020 (previously was 125 EUR per person)[153]. Furthermore, the level of income disregard has been

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[152] Based on the following law: "Dėl Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 3, 6, 7, 9, 10, 11,15, 17, 21 ir 23 straipsnių pakeitimo įstatymo, Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 17 ir 18 straipsnių pakeitimo įstatymo, Lietuvos Respublikos paramos būstui įsigyti ar išsinuomoti įstatymo Nr. XII-1215 2, 5, 10, 12, 14, 16, 18 ir 29 straipsnių pakeitimo įstatymo, Lietuvos Respublikos vienkartinės išmokos socialinio draudimo pensijų ir šalpos išmokų gavėjams įstatymo projektų pateikimo Lietuvos Respublikos Seimui". No. 438. https://www.e-tar.lt/portal/lt/legalAct/b33c3e608acd11eab005936df725feed

[153] Based on the following law: "Dėl Lietuvos Respublikos piniginės socialinės paramos nepasiturintiems gyventojams įstatymo Nr. IX-1675 3, 6, 7, 9, 10, 11,15, 17, 21 ir 23 straipsnių pakeitimo įstatymo, Lietuvos Respublikos išmokų vaikams įstatymo Nr. I-621 17 ir 18 straipsnių pakeitimo įstatymo, Lietuvos Respublikos paramos būstui įsigyti ar išsinuomoti įstatymo Nr. XII-1215 2, 5, 10, 12, 14, 16, 18 ir 29 straipsnių pakeitimo įstatymo, Lietuvos Respublikos vienkartinės išmokos socialinio draudimo

increased by 5 pp. for each household type (see Table 2.20. below), where household's average income from work is temporary disregarded together with the unemployment social insurance and the temporary jobseeker's benefit by 20-40 %.

The assets' test is temporary not applied. After the end of the state emergency and the quarantine, the asset's test is not applied for 6 months (only income-test is applied for the eligibility conditions). After the end of the 6-month period, the permanent reform came into force: the asset's test is not 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 benefit. As of the 2nd quarantine (officially since 7th of November 2020), the assets' test is temporary not applied for 6 months again.

The amount of the social assistance benefit is increased:

- For a single person – 1.4*SSI (175 EUR) for the first 6 months, 1.2*SSI (150 EUR) for subsequent 6 months. After 12 months – 1.1*SSI (137.5 EUR).
- For households:
    - For the first person in a family the social assistance benefit is calculated as the difference between income and 1.1*SSI (137.5 EUR);
    - for the second person in a family – 0.9*1.1*SSI (123.75 EUR);
    - for the third and a following person in a family- 0.7*1.1*SSI (96.25 EUR).

Table 2.20. Levels of income disregard based on household type, 2018-2020 (I) (as of 1st January) and reform levels as of 2020 (II)-2021 (as of 1st June 2020)

Household type	2018-2020(I)	2020 (II)-2021
For persons living together without children (adoptees) or for single person	15 %	20 %
For persons living together and raising one or two children (adoptees)	20 %	25 %
For persons living together and raising three or more children (adoptees)	25 %	30 %
For single parents, raising one or two children (adoptees)	30 %	35 %
For single parents, raising three or more children (adoptees)	35 %	40 %

Lastly, the in-work social assistance benefit for a former long-term unemployed is increased: 100% social assistance benefit amount for the first 3 months, 80% - for the next three months, 50% - for the rest 6 months (in-work benefit is paid for 12 months).

The abovementioned policy measures (except for asset test) were implemented as permanent policy measures in 2021 (see more information in 2.5.10 section).

EUROMOD note:

Changes in the social assistance benefit (*bsa00_s)* are modelled.

Compensations for heating of a dwelling, cold and hot water expenses, and sewage *(kompensacijos už būsto komunalines paslaugas):* larger compensation rate is applied for people receiving compensations. For households 1.1*SSI and for single persons – 1.5*SSI compensation is covered as the difference between household income and SSI.

EUROMOD note:

Compensations are not modelled because of the data constraints.

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pensijų ir šalpos išmokų gavėjams įstatymo projektų pateikimo Lietuvos Respublikos Seimui". No. 438. https://www.e-tar.lt/portal/lt/legalAct/b33c3e608acd11eab005936df725feed

2.8.2. Wage compensations

Subsidies to remain in the labour market (*subsidijos išlikti darbo rinkoje*) (*yemdowncomp_s; yemcomp_s*):

   a) During quarantine if downtime is declared:

Due to state of the emergency and the quarantine, some employees are not able to work remotely, therefore employers may declare downtime or partial downtime. For complex cases, the state contributes and subsidizes employees' income by providing state subsidies to remain in the labour market. The policy does not apply to public sector workers.

When the downtime is declared for employees, and they receive at least MMS (607 EUR) the state subsidy is paid to cover employee's salaries. Expenses incurred by employers are reimbursed with state subsidies from the *Employment Service* to the employer during the 1st quarantine period (officially since 16th of March 2020 until 17th June 2020). Current amounts of the subsidies: 90% of employee's salary, but no more than 1*MMS (607 EUR) or 70% of employee's salary, but no more than 1.5*MMS (910.5 EUR). For employees aged 60 or more the following compensation rates and amounts apply: 100% of employee's salary, but no more than 1*MMS (607 EUR) or 70% of employee's salary, but no more than 1.5*MMS (910.5 EUR). Employer's obligations:

- When announcing a downtime to an employee, the employer has to inform the State Labour Inspectorate;
- Employers who have received the state subsidies will also have to keep at least 50% jobs for at least 3 months after the end of subsidy's payment;
- During a downtime period, the employee may not be required to work;
- During a downtime, the employer has to pay a wage of no less than the minimum wage in proportion to the working time indicated in the employment contract.

Since January 1st, 2021, subsidies during downtime are paid to employers and employees due to the 2nd quarantine.[154] Subsidy rates and payment duration can be found in Table 2.21. The minimum subsidy's amount is 1*MMS, but only in an employee is in full-time.

Table 2.21. State subsidies for the employees during the 1st and 2nd quarantine

Subsidy	1st quarantine period			2nd quarantine period
Standard rate	90% of previous salary	70% of previous salary	100%/70% of previous salary*	100% of previous salary
Minimum	1*MMS (607 EUR)			1*MMS (642 EUR)
Maximum	1*MMS (607 EUR)	1.5*MMS (910.5 EUR)	1*MMS (607 EUR)/1.5*MMS (910.5 EUR)	1.5*MMS (963 EUR)
Payment duration	During quarantine + 1 month after			

Note: *for employees aged 60 or more

   b) Subsidies after the end of the quarantine:

Employers could get state subsidies while retaining employees for another 6 months after the end of the quarantine in 2020 (the policy not implemented in 2021 as it has ceased to exist). The

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[154]Based on the following law 'Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 38, 41, 42 ir 48-1 straipsnių pakeitimo įstatymas'. 2020-12-29, Nr. 28988. https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/03587272490e11ebb394e1efb98d3e67?jfwid=32ocqrs00

highest amounts of subsidies was paid in the first 2 months after the quarantine, after which they were gradually decreased (see Table 2.22.). The maximum subsidy payment after the quarantine period is 6 months.

Table 2.22. State subsidies for the employees after the quarantine in 2020*

Payment period	Part of the subsidy	Ceilings
1-2 months	100%	
3-4 months	50%	MMS (607 EUR)
5-6 months	30%	

*Note: * for the employment of supported unemployed persons and employees who have been declared a downtime*

The subsidies to cover employees' wages are granted to the employers who:

- After the end of quarantine did not fire their employees during the quarantine, but declared them a downtime and asked for the subsidies. The subsidies after the quarantine are only paid for employees who resume working after the downtime;
- Employ previously unemployed persons, referred by the *Employment Services* such as: people with disabilities, elderly, young people, long-term unemployed, etc. since 15th of May 2020.
- Are included in the list of companies affected by COVID-19 compiled by *the State Tax Inspectorate*. Subsidies for employers are paid for a maximum of 10 employees if the company employs up to 20 people, or for a maximum of 50% employees if the company employs more than 21 people. Since 15th of May 2020.

Furthermore, if the company is included in the list of activities approved by the Minister of Social Security and Labour and the Minister of Economy and Innovation, focusing on the production of advanced technologies, knowledge-intensive business services, the pursuit of the green deal goals and social dialogue, then it is able to benefit from larger subsidies: 100% subsidy with subsidy ceilings of 1*MMS or 70%/50%/30% subsidy with subsidy ceiling of 2*MMS.

In case of fixed-term or seasonal employment contracts, the subsidy reaches 100-50% and is paid for only 4 months but no more than 0.5*MMS (see Table 2.23.). This aspect of the policy is not modelled in EUROMOD.

Table 2.23. State subsidies for the employers after the quarantine*

Payment period	Part of the subsidy	Ceilings
1-2 months	100%	0.5*MMS (303.5 EUR)
3-4 months	50%	

Note:* for temporary employment of the unemployed

EUROMOD note:
The wage compensations are modelled in EUROMOD, with the exception of the higher subsidy for fixed-term or seasonal employment contracts by firms included in the approved list by the Minister of Social Security and Labour and the Minister of Economy and Innovation. The full wage compensation is modelled in two parts: as part of the wage compensation which is paid by the state and a part paid by a firm. These policies can only produce results if the model is run in combination with the LMA add-on. The individuals that are selected to undergo transitions to monetary compensation schemes are defined in the TransLMA_lt policy, which is switched on automatically by the add-on. For more information about the modelling of labour market transitions please consult the *'Simulating labour market transitions in EUROMOD'* document.

2.8.3. Other measures not modelled in EUROMOD

Deferment and apportionment of tax payments (*mokesčių atidėjimas ir išdėstymas):* provisions have been adopted to facilitate the payment of personal income taxes (PIT) and state social insurance contributions (SIC), targeted at the companies, included in the list of companies directly affected by COVID-19[155]. If the listed companies have taxable income since 16th of March 2020 until the end of quarantine and 2 months after the quarantine, they are automatically released from late payment of interest and its tax recovery is not initiated.

At the end of the emergency, the listed companies have 2 months to pay taxes and social insurance contributions or sign an interest-free tax loan agreement (*mokestinės paskolos sutartis neskaičiuojant palūkanų*). The taxes then must be paid on an agreed schedule (unless the taxpayer requests a more intensive payment schedule) for both SIC and PIT payments. If companies have tax debts that arose before the quarantine was announced but they are currently unable to pay them, they should apply to the tax authorities for a TLA. Those who have already entered into such agreements may apply to change the schedule and terms of the tax loan agreement. Since January 1st, 2021, due to 2nd quarantine period (officially since 7th of Nowember, 2020), companies are automatically released from late payment of interest and its tax recovery is not initiated. Companies affected by COVID-19 are able to not pay SIC for the quarantine period and will cover them within a period of maximum 5 years.

Vocational training support (*profesinis mokymas*): the State support intended to more generously promote vocational training for employees and the unemployed, with the aim of acquiring qualifications and competencies that create high added value. The latter support is funded by the Employment Service when unemployed persons seek to get a job or self-employment as well as employed persons who want to change their profession or work. The vocational training support finances vocational education ensures a scholarship as well as cover accommodation and transportation costs.

Vocational scholarship for unemployed (*profesinio mokymosi stipendija bedarbiams*): during official state of emergency or quarantine period, when vocational schools are closed and unemployed persons attend vocational training, they remain to be entitled to receive a monthly scholarship of 235 EUR[156].

Lump-sum support for the establishment of one's workplace (*parama savo darbo vietos steigimui*): a one-off state support of 18.8 thousand EUR for the establishment of a workplace in small enterprise, provided by *the Employment Service*. The support is targeted at unemployed persons with moderate and severe disabilities as well as the young unemployed between 29-45 years old. Such support (of 7 thousands EUR) will also be provided to self-employed persons who became unemployed and have mild disability or 44-55% working capacity as well as those who want to change their type of economic activity.

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[155] Based on State's Tax Inspectorate (*Valstybinė mokesčių inspekcija*) information to businesses regarding COVID-19: https://www.vmi.lt/cms/teises-aktai-ir-komentarai169/-/asset_publisher/eNm8/content/information-to-businesses-regarding-covid--1?redirect=https%3A%2F%2Fwww.vmi.lt%2Fcms%2Fteises-aktai-ir-komentarai169%3Fp_id%3D101_INSTANCE_eNm8%26p_lifecycle%3D0%26p_state%3Dnormal%26p_mode%3Dview%26p_col_id%3Dcolumn-1%26p_col_count%3D2
[156] Based on the following law: "Lietuvos Respublikos užimtumo įstatymo Nr. XII-2470 5-1, 13, 24, 35, 37, 38, 39, 41, 42, 44, 49 ir 50 straipsnių pakeitimo įstatymas". No. XIII-2846. https://www.e-tar.lt/portal/legalAct.html?documentId=6d4840607a5211eab005936df725feed

Support for the establishment of workplaces (*parama darbo vietų steigimui*): aimed to encourage the establishment of workplaces in regions with higher unemployment (mainly disabled, young and elderly, long-term unemployed), support for the establishment of workplaces is provided to companies or other organizations – that is local employment initiatives. No more than 18.8 thousand EUR may be allocated for the establishment of one workplace, part of which can be used for the acquisition or adaptation of work equipment, and part for the repair and adaptation of premises necessary for the establishment of a workplace. Companies are required to provide a letter of guarantee when one workplace is established or when more workplaces are established during emergency and quarantine and for another 3 months thereafter.

Subsidies for the employment of supported unemployed persons (*subsidijos darbo užmokesčiui įdarbingus remiamus bedarbius*): employers are able to receive wage subsidies if they employ the most vulnerable people and help them return to the labour market. Subsidies can be paid to employers who employ the additionally supported registered unemployed through *the Employment Service*. The following groups, amounts and payment period include:

Table 2.24. Subsidies for the employment of supported unemployed persons

Supported unemployed groups	Subsidy's amount	Payment period
Persons with 25% working capacity or severe disability level	75%	Indefinitely
Persons with 30-40% working capacity or moderate disability level	60%	24 months
Persons unemployed between 29-45 years old or have mild disability or 44-55% working capacity as well as unqualified long-term unemployed	50%	6 months

Apprenticeship (*pameistrystė*): under an apprenticeship contract, the employer can hire employees, train and give practical and theoretical professional knowledge by receiving the reimbursement equal 70% of wage from *the Employment Services*, but not more than 1.5*MMS.

3. DATA

3.1. General description

An overview of the established combinations of EUROMOD LT datasets and policy years is given in Table 3.1. Our focus is on the EUROMOD LT-data 2021. The descriptions of the EUROMOD LT-data could be found in the preceding EUROMOD Lithuania country reports.

Table 3.1. EUROMOD LT 2019-2022: data and policy years

	2020	2021	2022	2023
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	best	best	best	best
LT-data 2021	x	x	x	x

EUROMOD LT- data 2021 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 2021, 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 simulations[157]. As a result, EUROMOD LT-data 2021 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 2021 short description

	Description
EUROMOD database	LT_2021_c1
Original name	*EU-SILC – Community Statistics on Income and Living Conditions (Anonymised User Database EMSD) + merged variables from "Pajamų ir gyvenimo sąlygų tyrimas"*
Provider	EUROSTAT (EU-SILC); Statistics Lithuania (*Pajamų ir gyvenimo sąlygų tyrimas*)
Year of collection	2021
Period of collection	January-May
Income reference period	2020

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[157] The list of variables which are merged into the EUROMOD LT-data from the National SILC is provided in Table 3.4.

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	12,114 individuals, 5 655 households
Response rate	Household response rate is 74.75% (5655 out of selected 7565)

Source: Statistics Lithuania (2022): https://osp.stat.gov.lt/lietuvos-gyventoju-pajamos-ir-gyvenimo-salygos-2022/izanga

3.2. Sample quality and design

The target population of the SILC data is private households (Statistics Lithuania, 2022). 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 (2022) household response rate is 74.75%. For the 2021 survey, 7565 households were selected, of which 5655 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	12114
Mean	231.8
Maximum	3924.9
Minimum	6.86
Max/Min	571.77

Lithuanian EU-SILC sample statistics has been projected to a reference population of **2.809.177** individuals in 1.286.979 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 (2020), 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. Imputations and assumptions

3.7. Time period

The EU-SILC information on demographic variables mainly refers to the time of data collection (January-May, 2021). Some included demographic information (e.g. age variables) also reflects the status quo at the end of the income reference period (2020). 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 2020). 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 2021 information on incomes refers to the calendar year of 2020. 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*).

3.8. 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).

3.9. Merged and imputed variables

Table 3.4 provides information on the variables that have been merged from the National SILC into the EUROMOD LT-data 2021. No other major modifications have been done for these variables.

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

LT-data 2021 variables	Description
lbl	Business certificate activity
lseor	Owners of individual enterprise
lsepf	People engaged in individual activities (i.e. type of self-employment)
bchor	Guardianship benefit
bsa00	Social assistance benefit
bma	Maternity and maternity (paternity) benefits
kfbmy	Fringe benefits – a number of months received
amrar	Useful floor space (m2) of the main residence
aldar	Area of own or rented land (hectares)
aldagar	Area of own or rented agricultural use land (hectares)
ltr	Change of job since last year

A number of EUROMOD LT-2021 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);
- Disability benefits - imputed for kids based on parents' status (ddi variable).

Information from the National SILC is also used in some other EUROMOD LT-2021 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. EUROMOD *lfs* variable on the firm size also utilises information from the National SILC to make a better-informed assumption. Here, we utilise the National SILC information on whether a self-employed person is working alone or has also some employees.

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 (*boaot*). The national SILC is also used for the disaggregation of disability pensions, such as: lost work capacity (*invalidity*) pension (*bdict*), compensation for disabled (*bdixp*) and other benefits for disabled (*bdiot*).

Some EUROMOD LT-2021 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) . A variable *amrmv* on the market value of the main residence is constructed in relation to the EU-SILC variable on the imputed rent value for owner-occupiers and the gross rental multiplier (GRM) value. The latter value is selected based on empirical data review and expert opinions. A number of other housing characteristics, as reported in the EU-SILC, are also taken into account to differentiate the final market value.

3.10.   Updating

To account for time inconsistencies between the input dataset and the policy year, updating factors are used. Each monetary variable (i.e., each income component) is updated 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. Updating 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 updating factor as well as the sources that have been used, see Annex 3.

As a rule, updating 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 uprated original variables in the dataset. Updating 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 uprating factors as well as the sources used to derive them can be found in Annex 1.

No other updating 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 uprating 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 uprating factors was supplemented with average gross earnings by 12 sectors of economic activity. It allows to improve the scope of simulations by uprating the income of each sector. For more information see Annex 1.

3.11 Best match

Despite what done in previous year, EUROMOD LT-data 2021 have not been set as best match for the systems 2020-2023. The reason for this choice resides in the very different distribution of employment income and self-employed income observed with respect to previous years' datasets. This is justified by the fact that the income reference year is 2020, characterised by the lockdowns and the COVID-19 income support measures Hence, we believe that previous data better reflect the income distribution of more recent years and lead to more reliable results when used in combination with the model. EUROMOD LT-data 2021 are still available as non-recommended option when running the systems 2020-2023, for transparency and comparison reasons.

2. VALIDATION

2.1. 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.

2.2. 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 2.1:

- 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 2.1. 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	yiy is derived from hy090g
Income from rental of a property or land	Yprrt	hy040g	yprrt 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

2.3. 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 variables[158]. No calibration is done towards the external income aggregates. Hence, the discrepancies between the aggregate amounts and recipiency 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., 2020) 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 by around 16% in 2020-2022 in EUROMOD 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 2020-2022 the situation in the labour market and the economy went through changes due to COVID-19, the ratio between EUROMOD and LFS has changed slightly over the years. As for 2021, the economy has slightly improved, which is signalled in slightly lower number of employed in external statistics, leading to slightly higher overestimation of 15%. The latest available external values of 2022 indicate better employment situation after the end of COVID-19 pandemic, resulting in slightly better ratio of 1.11. Meanwhile, the number of recipients of self-employment income is highly overestimated in EUROMOD in 2020 (ratio is 2.51 – i.e., similar to both 2021 and 2022). Supposedly, people tend not to report the fact that they are engaged in self-employed activities to the authorities, some have short self-employment spells. Lowest number of self-employed in 2020 is largely shaped by the pandemic, resulting in worsened overestimation (ratio 2.51 in 2020). Similar to the number of employed, we observe a slight increase in number of self-employed in 2021 and 2022, resulting in better ratio between baseline and external values (2.48 and 2.26 respectively). Other factors for overestimation of the number of self-employed are similar to those for employment income recipients.

The annual amounts of gross employment income in EUROMOD are 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 12-17% in 2020-2022. 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 2020-2023. External statistics show that employment income continued to grow since 2020 despite the Covid-19. In 2022 employment income continued to grow by 15%, which is largely due to the recovery from the pandemic when it comes to eased restrictions. Same is observed in external statistics. It should be noted, that while EUROMOD captures the average and aggregate growth in employment income during the period relatively well, updating by average growth in employment income (although updated by sector) hides

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[158] 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

potentially progressive growth in income. This is due to the ad-hoc increases of the minimum wages from 607 EUR to 642 EUR in 2021 and 730 EUR in 2022 and 840 in 2023.

2.4. Validation of taxes, SIC and benefits

The below validation results 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 2020-2021. 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 2020 (ratio at 0.97) and slightly more in 2021-2022, by 4% and 11% 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 is over-simulated by 1-3% in 2020-2021 and were under-estimated by 2% in 2022. The gap between the numbers of taxpayers recorded in external statistics and simulated in EUROMOD also points at the fact that the problem might be related to the high number of observations with short employment spells in EU-SILC (whose taxable income is lower than the tax allowance). 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. However, employer social insurance contributions can be assumed to be simulated with the same precision as employee contributions.

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 close to external data. PIT is matched at a ratio of 1.06 in 2020, 1 in 2021 and 0.92 in 2022. As for 2021, the withdrawal rate remained unchanged since 2020, resulting in further increase in tax allowances. EUROMOD models a steady increase in the amounts of income tax and allowances in 2022 due to increased tax allowance (540 EUR) and despite more progressive tax allowance schedule for those with income between MMS (730 EUR) and 1704 EUR and above. As for 2023, EUROMOD models a further increase by around 14% in the PIT amounts. The increase in the amounts is expected due to different income thresholds applied for tax allowance (625 EUR) for income below MMS (840 EUR) and progressivity for those with income between MMS and 1926 EUR and income above 1926 EUR. There is, however, no external data available yet to compare the results.

Regarding annual amounts of the employee SIC, we observe a stable increase in employee SIC annual amounts both simulated by EUROMOD and in external statistics due to general increase in earnings as no major SIC reforms have been implemented during 2020-2022; hence the total receipt of SIC remains relatively stable between the period. The annual SIC amounts of self-employed are highly overestimated (with the ratio of 2.49). The results are unsurprising 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 16-23%, which might both be due to the sampling and reporting errors in SILC.

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 just by 3-4% in EUROMOD in 2020-20210 and by 4% in 2022. When it comes to the number of recipients of disability pensions there is an overestimation, with the ratio of 1.21-1.31 in 2020-2021. As for the number of early retirement old-age pension recipients, slightly more cases are recorded in EUROMOD, with a ratio of 1.12 in 2020 (which was atypical year due to COVID-19). The number of recipients in 2021 is well aligned with the external statistics (with the ratio of 1.04), though larger underestimation is observed in 2022 (ratio0.85). Survivor's pension incidence is overestimated by 8% between 2020-2021 and underestimated by 9% in 2022, indicating similar trends to early-retirement pension beneficiaries 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 recipients of means-tested benefits are also shown in Table A3.5. The number of families with children eligible for additional child benefits is overestimated in EUROMOD (ratio of 1.92-1.93 in 2020-2022). 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. Moreover, it should be noted that eligibility for the child benefits in Lithuania is based on income threshold and the number of children in the family. Hence, we simulate a decrease of those eligible for child benefits between 2020-2023. The same is true in the administrative records, but only in 2022. Considering 2023 simulations, both EUROMOD model and external statistics indicate decrease in the number of beneficiaries, which is likely due to better labour market situation. There is no external statistics to validate the change for 2023.

Municipal and NGO support is highly overestimated in EUROMOD with the ratio of 1.89-4.07 between 2020-2022 (of note, no precise external statistical information is available).

The number of social assistance benefit recipients is overestimated in EUROMOD compared to administrative data, with an overestimation of 25% in 2020. As for 2021-2022 the EUROMOD simulations on social assistance recipients are underestimated with the ratio of 0.63. EUROMOD simulates further decrease, while external data indicates increase in the number of recipients since 2020. Increase in 2021 is related with the eligibility of the jobseeker's allowance, which was restricted and then cancelled altogether.

Housing allowances, which cover compensations for heating and water costs are underestimated in EUROMOD. The ratios for housing allowances are at 0.71 in 2020, but slightly decreased in 2021-2021, resulting in better ratios of 0.64-0.45. These discrepancies can be the result of the small sample size and data weighting issues in the survey. Of note, housing allowances are taken from the data by default, but their simulations can be switched on in the model.

Further results in Table A3.5 cover recipients of simulated and non-simulated non-means-tested benefits. Single person benefit recipients were introduced and are simulated in EUROMOD since 2021. Simulation results indicate large increase in benefit recipients in 2022 and stable number in 2023. The increase is likely as eligibility for the benefit was extended considerably. However, there is no available external statistics to validate such dynamics.

EUROMOD simulates well the number of families receiving the universal child benefit (overestimation of 1-3% in 2020-2022). We also have the estimated numbers of recipients for the student's childcare benefit and benefit for multiple birth families. However, both of the instruments have small coverage, i.e. for the students' childcare benefit and the multiple birth

families there were no benefit recipients observed in the sample. As the number of the recipients of this benefit is very low, the precision of the simulation is subject to a small sample size. The number of recipients of the unemployment social insurance benefit is underestimated in the baseline (0.55 in 2020). For 2021, we see an increase in the number of recipients of the unemployment benefit in EUROMOD and external statistics, though to a lower extend in the model, resulting in 0.58 ratio. As for 2022, there is a large decrease in the number of beneficiaries in external data, leading to a better ratio of 0.82. Of note, labour market adjustments can be additionally performed by using the LMA add-on to improve simulations.

The number of recipients of a birth grant is underestimated, with ratio between 0.97 in 2020 and slightly overestimated by 1-8% between 2021-2022. 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, albeit there is higher discrepancy in the number of recipients of the pregnancy grant (non-contributory maternity benefit), which is quite uncommon in Lithuania and even more so in the data. Hence the discrepancy is due to a small sample size. More widely spread contributory benefits are slightly better captured, i.e., ratios of the paternity leave benefit are 1.03-1.08. The coverage of the maternity benefit is underestimated with the ratio between 0.83-0.91. The coverage of the childcare benefit is over-estimated by 38-44 % for 2020-2022. Like birth and pregnancy grant, larger number of childcare benefit recipients simulated in EUROMOD is related with the representativeness of the survey sample.

The recipients of non-simulated guardianship benefit are largely underestimated in EUROMOD. The ratios for guardianship benefits are at 0.34-37 in 2020-2022.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 46-57%. This is expected as one person may be sick for more than one time within a year, especially in the case of the pandemic situation between 2020-2021.

Note: Please see Annex 3 for tables.

Aggregate amounts of non-simulated taxes and benefits are provided in the Table A3.6. Starting with pension section, the aggregate amount of disability benefits before the retirement age is under-estimated by 3-7% in EUROMOD in 2020-2021. Old-age benefits are underestimated by 15% in 2020 and 10% in 2021. This is in part due to a slightly underestimated number of old-age benefit recipients. Around 14-36% less of early retirement old-age pensions is reflected in the data for 2020-2022. 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 benefit is under-reported in the EU-SILC-based EUROMOD data by 29-30% in 2020-2021.

The validation of aggregate amounts of the means-tested benefits section is also shown in Table A3.6. It should be noted that spending on the additional child benefits is over-simulated in EUROMOD for 2020-2022 by 54-91%. The overestimation of annual amounts is similar to the 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. While the trends are similar, the absolute figures do not match in the baseline, where no Covid-19 measures and labour market changes are included.

For municipal and NGO support the annual amounts appear to be largely over-estimated in EUROMOD, although precise administrative statistics are not available both what concerns aggregate amounts and the number of recipients.

The total aggregate amount for the social assistance benefit in EUROMOD is overestimated in 2020 (by around 49%). 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. The external statistics however illustrate a much smaller annual amounts in 2020. As mentioned above, these results are likely due to pandemic-related measures, where part of social assistance recipients switched to temporary jobseeker's benefit and/or other temporary measures. Of note, Covid-19 related measures can be switched on in EUROMOD using LMA add-on. As for 2021, we observe around 7% decrease in annual social assistance amounts in EUROMOD, though the opposite trends are observed in external statistics (of around 47% increase). The increase is expected due to the changes listed above and reduced/abolished temporary pandemic package measures in 2021. As for 2022, EUROMOD simulates 6% increase in annual amounts, which are expected considering increased SSI and BSA amounts, and no assets test applied. External statistics show similar increase by 4% in 2022. 2021-2022 validation results illustrate 3-5% underestimation. EUROMOD simulations for 2023 show further though larger increase by 12% in the annual amounts.

Finally, according to external statistics, expenditure on housing allowances, which include compensations for heating and water utilities has been on significant increase since 2020. This is driven both by the fuel prices, average winter temperatures, etc. The expenditure on compensations is well in line with the external statistics (ratio 1.06). Results are however highly underestimated in EUROMOD data in 2021-2022 (ratio 0.65 and 0.15 accordingly). 2021 data signals yet another large underestimation by 35% due to significant increase in housing allowance recipients in external statistics. However, this are in line with the underestimation of recipients of this benefit and similar to the previous datasets. Nonetheless, EUROMOD data does not account for changes that took place in reality between 2020-2021 (decreased number of the recipients). As for 2022, the annual amounts increased by around 42%, which is expected considering energy crisis due to Russia's war against Ukraine. Nonetheless, validation results represent baseline results. Compensations for heating and water costs can be turned ON in the model, which are OFF by default in the baseline model.

Regarding simulated and non-simulated non-means-tested benefits in Table A3.6, there is no proper external statistical information about annual amounts of single person benefit. The aggregate amounts of the universal child benefit show an overestimation of 21% in 2020. The increase is not surprising as in 2020 the aggregate amounts for the universal benefits have further increased because of the increased benefit amount and due to the additional lump-sum payment of EUR 120 that was paid in relation to the Covid-19 pandemic. An increase is likely as more households filled the application for the universal child benefit and lump-sum payment due to Covid-19 pandemic. The situation in 2021-2022 shows a better match between EUROMOD and external statistics and a better match (ratio 1.04 and 1.02 accordingly) between the aggregate amounts and recipients, representing the higher application for the benefit in EUROMOD simulations.

As there were no student's childcare benefits recipients observed in the sample or the sample of benefit for multiple birth families, we cannot properly validate annual amounts of both types of benefit. Severance pay amount is largely underestimated in EUROMOD data compared with the external statistics in 2020-2021 with the ratio of 0.28-0.29. Aggregate amounts of contributory unemployment social insurance benefits are undersimulated in EUROMOD with ratio of 0.66 in 2020. External statistics also show a rapid increase in the amounts for 2020 due to the increased

numbers of the unemployed due to Covid-19 pandemic. This is plausible due to Covid-19 pandemic and labour market adjustments, which are not captured in the model and can be additionally performed by using the LMA add-on. As for 2021, we under-estimate the aggregate amount of the unemployment benefit (with a ratio of 0.80) due to changes in the labour market situation in 2021. We simulate a further increase in the amounts in 2022, though to a lesser extent than in external statistics, resulting in the ratio of 0.84. 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 (88-95% in 2020-2022). However, this is in line with lower number of recipients simulated in EUROMOD. The fact that the aggregate amounts of the childcare benefit for the period of the childcare leave are under-simulated by around 13-18% should be due to optimization of the benefits by a household as both the duration/replacement rate and the recipient (mother or father) are optional. Paternity benefits are over-estimated in EUROMOD (by around 40-47%). This discrepancy is due to slightly higher number of the new-born children in EUROMOD.

The annual amounts of non-contributory pregnancy grant are highly overestimated in EUROMOD in 2020-2022, 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. Sickness benefits are underestimated in the baseline   with the ratio of 0.89 in 2020, but balances in 2021 with the ratio of 1.05 as the incidence increases. We observe a further overestimation by around 10% in 2020 due to higher simulated increase in EUROMOD. For education allowances, which are allocated on a local level, there are no proper statistics on the number of recipients and total spending. As far as aggregate amounts of the guardianship benefits are concerned, EUROMOD results indicate underestimation of 29-58% in 2020-2022. Nevertheless, this benefit constitutes only a minor part of disposable income. Finally, birth grant is well-aligned with the external results in 2020-2022 (with ratios 0.99-1.10).

2.5. 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.

2.6. Income inequality

Note: Please see Annex 3 for tables.

This section estimates how well EUROMOD tracks the changes in income distribution and inequality for 2020-2021 compared to Eurostat where possible (at the time of writing, Eurostat figures referring to income up to the year 2021 (2022 survey data) were available). Table A3.7 indicates the distribution of equivalised disposable income. Results shows that in 2020-2021 the income shares by decile predicted by EUROMOD are relatively close to those reported by Eurostat. Few exceptions are the top and bottom income deciles, for which incomes are overestimated by around 9-20% in the Covid-19 year of 2020 and under simulated and by 10-11%

in 2021 at the bottom and top deciles. This may be due to several issues, including the assumptions of full benefit take-up and full tax compliance, limitations of simulated means-testing rules, etc. The assumption of full tax compliance may also 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 underestimated in EUROMOD in 2020 (ratio 0.83) and in 2021 (ratio 0.85). For the Gini coefficients we find a closer match for EUROMOD and Eurostat statistics (ratio of 0.91 in 2020 and 2021). EUROMOD simulations imply growth in mean and median incomes and decreasing inequality between 2021 and 2022. The slight increase in inequality modelled for 2021 and stabilization in 2022 is likely due to the increase of labour market incomes as well as political reforms such as abolishment of one-off payments to pensioners and children, sticker eligibility conditions for temporary jobseeker's benefit, etc.

2.7. Poverty rates

Note: Please see Annex 3 for tables.

Table A3.8 shows that the at-risk of poverty rates in the baseline yet atypical year of 2020 are deteriorated compared with those reported by EUROSTAT (2021 and 2022 EU-SILC data) (of note, the match can be improved by turning on available extensions and add-ons for Lithuania, including of Covid-19 measures). Yet the validation results get better in 2021. The worst fit between EU-SILC and EUROMOD is for the 40% median equivalised income poverty threshold (ratios of 0.63 and 0.66 in 2020) 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%-70% median equivalised income (ratios 0.84-0.89 in 2020 and 0.88-0.90 in 2021).

The comparison with the external statistics for 2020 shows that statistics are well aligned throughout the age groups. For 50-64 working age population EUROMOD overestimated the poverty rates just by 8%, with the higher degree of underestimation for children, teenagers and young adults (0-15 and 16-24 years old) with 24-29% underestimation. At-risk-of-poverty rate for 50-64 and 25-29 years olds is around 14-14% lower compared with external statistics. These trends might be due to demographic representation in the model.

Decomposition of the at-risk of poverty level by age (using a 60% of median household disposable income poverty line) for 2021 shows a slightly lower degree of overestimation among almost all age groups compared with 2020. Slightly higher underestimation is seen among either younger (16-24 years old) age groups (ratios 0.89), or underestimation for older groups of 65+ (ratio of 0.81). This may be due to the sampling and other statistical or modelling errors, as well as to the labour market and Covid-19 pandemic dynamics which we do not capture in the baseline EUROMOD simulations. EUROMOD captures poverty risk levels relatively better for 25-49 years old ones (ratio 0.99) and children (0-15 years old) with the ratio of 0.97. Discrepancies are expected to become wider as we go further in time from the baseline if no labour market adjustments are performed.

EUROMOD estimates for years beyond those available in Eurostat imply decrease in the poverty rates in 2022 and a small decline in 2023. As for 2022, EUROMOD estimates presuppose a decrease of at-risk-of-poverty rate for all age groups. For 2023 EUROMOD simulates at-risk-of-poverty increase among 0-15 and 25-49 age groups, though it does not lead to an increase in at-risk-of-poverty in total. However, the baseline model does not capture extensions and add-ons available for Lithuania in EUROMOD, which are OFF by default.

2.8. 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, recipiency 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 uprated using income-specific uprating 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. UPRATING FACTORS (2020 =100)

Index	LT_2020	LT_2021	LT_2022	LT_2023
$HICP	1	1.0463	1.2435	1.3577
$f_yem	1	1.0976	1.2294	1.3778
$f_yempv	1	1.102	1.2096	1.3553
$f_one	1	1	1	1
$f_bfa	1	0.9899	1.1329	1.5062
$f_bho	1	0.9194	0.788	0.8854
$f_bunct	1	1.0912	1.2722	1.4273
$f_bsa00	1	1.2355	1.3319	1.4925
$f_bdi	1	1.093	1.2506	1.3924
$f_boa	1	1.098	1.2578	1.4316
$f_bsu	1	1.1003	1.2558	1.4137
$f_byr	1	1.1771	1.3624	1.5649
$f_boanc	1	1	1.0559	1.104
$f_boaml	1	1.0107	1.04	1.04
$f_boawr	1	1.0149	1.087	1.1339
$f_boamt	1	1.0214	1.1671	1.3143
$f_boaot	1	1.0961	1.2227	1.3615
$f_bdixp	1	1.0256	1.1368	1.2564
$f_bdiot	1	1.0976	1.2294	1.3781
$f_yem1	1	1.0886	1.2559	1.4074
$f_yem2	1	1.0517	1.1421	1.2804
$f_yem3	1	1.0887	1.2151	1.3623
$f_yem4	1	1.1184	1.2819	1.4372
$f_yem5	1	1.1263	1.3493	1.5126
$f_yem6	1	1.0736	1.222	1.3698
$f_yem7	1	1.0816	1.222	1.37
$f_yem8	1	1.1159	1.2277	1.3766
$f_yem9	1	1.0628	1.1654	1.3068
$f_yem10	1	1.1191	1.2795	1.4344
$f_yem11	1	1.1573	1.253	1.4047
$f_cpi	1	1.046	1.2438	1.3552
$f_bsa	1	1.0256	1.1359	1.2308

Growth in earnings does not include recalculation factor of 1.289, which is applied separately in the model in 2020-2023

ANNEX 2. POLICY EFFECTS IN 2022-2023

Indexation based on projected HICP for 2023[159] (HICP = 9.1%)

Table A2.1 shows the effect of policy changes implemented in 2023 on mean equalised household disposable income by income component and income decile group, as a percentage of mean equalised household disposable income in 2022. The effect is estimated as a difference between simulated household net income under the 2023 tax-benefit policies (deflating monetary parameters by Eurostat's Harmonized Index of Consumer Prices, HICP) and net incomes simulated under 2022 policies.

In general, we observe a progressive and positive effect to income in all income deciles despite the inflation (of 9.1%) and due to the measures implemented in 2023. The positive effects on disposable income between 2022-2023 ranges from 0.08% in the 10th income decile to 3.13% in the 1st decile. The positive effect decreases with income, but is still positive for all decile groups. The implemented policy reforms ensured more progressive tax-benefit policy effect. The largest positive effect is observed for 1-4th deciles groups, whose disposable income increased on average by 1.42-3.13% in real terms compared to 2022.

The largest positive contributions to incomes of the lower income deciles are provided by changes in public pensions and non-means-tested benefits. On the other hand, we see negative real changes in employee, self-employed and other SICs.

The largest increase in disposable income is seen due to changes in public pensions due to further pension indexation in 2023. State pensions (for judges, officials, soldiers) have been indexed by 4.6%. State pensions for victims and scientists have been increased in relation to state pension base (SPB). The basic part of old-age pension increased by around 9%, and the individual part - by almost 15%. On average, the average old-age pensions increased by around 12%. Finally, early retirement pension has been increased by around 9%, while the individual part by almost 15%.

The main changes to the increase in non-means-tested programmes between 2022 and 2023 are targeted at the bottom income deciles, could be reasoned with the abovementioned increase in BSA (49 EUR) and SSI (157 EUR) basic amounts, resulting in more generous universal and additional child benefits, social assistance benefits compared with 2022. This resulted in more generous universal and additional child benefit and entitlement for student's childcare benefit. Increase in non-means-tested benefits is also a result of single person benefit, which is now indexed. Positive effects at the bottom income decile groups are changes in shorter paternity leave benefit social insurance record requirements, which enables larger number of fathers to become eligible to use paternity benefit.

The changes in the direct taxes have had larger positive impact on mean disposable income for 1st-3rd bottom income decile groups. This is a result of a more progressive and increased tax allowance reform, introduced since 2023. The basic allowance is 625 EUR per month is applied if the resident's monthly income does not exceed 840 EUR per month; if the resident's income is between 840- 1926 EUR, the monthly basic allowance = $625 - 0.42 \times$ (monthly employment income $-$ 840); for those with income exceeding 1926 EUR, the monthly basic allowance = $400 - 0.18 \times$ (monthly employment-related income $-$ 642). While PIT increased the disposable income, SIC decreases it throughout all decile groups.

Overall, the changes in the abovementioned policies between 2022 and 2023 have had a positive impact throughout the distribution, especially so for the bottom deciles, i.e., had a pro-poor orientation, resulting in overall positive effect on disposable income of 0.74% in real terms

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[159] 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).

remains. We see that policy effects had a clear orientation towards pensioners, who are usually located at the bottom income deciles. The 1st income decile gained majority of increase in income from public pensions.

While Table A2.1 represents results in real terms, for comparison purposes Table A2.2 complements the report by adding results in nominal terms. The overall table shows a progressive effect to income in all income deciles in nominal terms, i.e. without taking into account the role of the inflation. The largest positive effect in nominal values is due to increase in public pensions, also due to non-means-tested and means-tested benefits. While the disposable income increased on average by 0.74% in real terms compared to 2022, the increase was 3.57% in nominal terms.

Table A2.1. Policy effects in 2022-2023, using the CPI-indexation, %

Results for Lithuania with alpha: CPI [1.091] on dataset LT_2020_a1

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	2.68	0.27	0.16	-0.04	-0.02	-0.08	0.16	3.13
2	0.00	2.02	0.19	0.33	-0.05	-0.01	-0.05	0.24	2.68
3	0.00	1.70	0.20	0.41	-0.06	-0.02	-0.02	0.20	2.41
4	0.00	1.16	0.05	0.26	-0.09	-0.02	-0.01	0.07	1.42
5	0.00	0.85	0.06	0.34	-0.09	-0.01	-0.01	0.01	1.15
6	0.00	0.80	0.00	0.47	-0.12	-0.02	-0.01	-0.14	0.99
7	0.00	0.58	0.01	0.19	-0.11	-0.03	-0.01	-0.19	0.44
8	0.00	0.40	0.00	0.11	-0.14	-0.02	0.00	-0.27	0.09
9	0.00	0.33	0.00	0.24	-0.12	-0.02	-0.01	-0.23	0.20
10	0.00	0.21	-0.01	0.13	-0.13	-0.04	0.00	-0.08	0.08
Total	**0.00**	**0.70**	**0.04**	**0.23**	**-0.11**	**-0.03**	**-0.01**	**-0.09**	**0.74**

Table A2.2. Policy effects in 2022-2023, in nominal values, %

Results for Lithuania with alpha: custom [1] on dataset LT_2020_a1

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	7.46	1.43	1.07	-0.04	-0.03	-0.21	0.46	10.13
2	0.00	6.45	0.93	1.15	-0.05	-0.02	-0.10	0.80	9.18
3	0.00	5.49	0.81	1.30	-0.06	-0.03	-0.04	0.96	8.42
4	0.00	3.74	0.54	1.04	-0.09	-0.04	-0.03	1.01	6.16
5	0.00	2.81	0.25	1.05	-0.09	-0.02	-0.03	1.07	5.03
6	0.00	2.58	0.03	1.03	-0.12	-0.03	-0.02	0.91	4.37
7	0.00	1.93	0.04	0.78	-0.11	-0.06	-0.02	0.74	3.31
8	0.00	1.34	0.02	0.56	-0.14	-0.03	-0.01	0.54	2.29
9	0.00	1.10	0.03	0.78	-0.12	-0.03	-0.02	0.25	1.99
10	0.00	0.69	0.01	0.42	-0.27	-0.16	-0.01	0.20	0.89
Total	**0.00**	**2.25**	**0.21**	**0.78**	**-0.14**	**-0.06**	**-0.03**	**0.57**	**3.57**

Figure A2.1. Policy effects in 2022-2023, using the CPI-indexation (9.1%)
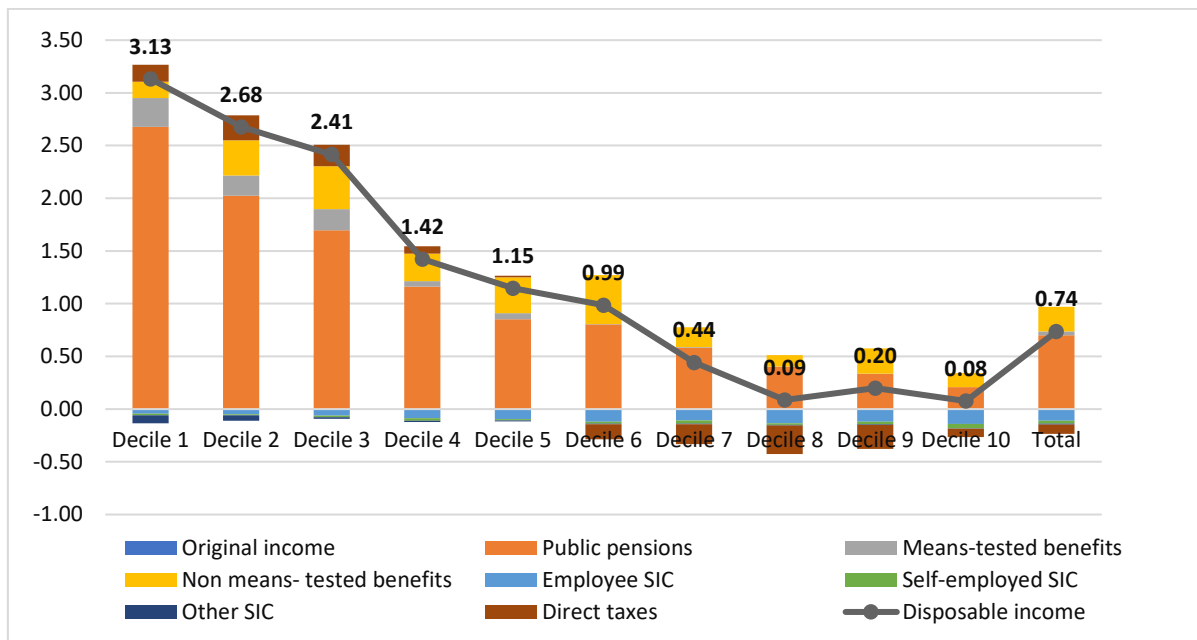
ANNEX 3. VALIDATION TABLES

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. More details on the structural cuts are provided by the State Social Insurance Fund Board of the Republic of Lithuania and can be found in English at: http://www.sodra.lt/index.php?cid=1945.

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*): old-age benefits (*boa*), early retirement old-age pensions (*byr*), disability benefits (*bdi*), orphan's benefits (*bsu*). 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).

The main health warnings for the implementation of the structural cuts in EUROMOD are:
- Old age and state pensions are aggregated in *boa* (although these two types of pensions are recalculated according to different rules); invalidity pensions after the pension age are included into *boa*; the bonus for the length of the service can't be identified and is ignored this in our simulations.
- We disregard the reduction of boa pensions for those receiving insurable income.
- There is no information on a degree of work incapacity in the input database. Those were imputed by differentiating the marginal average sizes of the three types of work incapacity/disability pensions and by ratios of the three categories as indicated by external statistics.
- Survivor and orphan pensions are aggregated in the input database and were differentiated according to the age of recipients.
- All indicated categories of pensions in EUROMOD are aggregate categories. The structural cuts were equally applied on all types of benefits within the same category if not indicated otherwise.

Since 2012 the recalculation of state insurance pensions was cancelled, although recalculation rules still applied to state pensions. State pensions cannot be identified in EUROMOD and therefore are not recalculated. For the dataset with the income reference period of 2011 (i.e. 2012 SILC) reverse recalculation rules were implemented for 2012 and later policy years.

Since 2014 compensations for the loss due to those structural cuts made in 2010 and 2011 have been initialised. It affects old-age, early retirement old-age and disability pensions (but not survivor's pensions). The amount of compensation for the pensioner is equal to his/her losses due

to the cuts in 2010-2011. The total amount of compensation (in nominal terms) is to be paid over the 2014-2016 period. 20 percent of this amount is to be paid in 2014, 40 percent is to be paid in 2015 and the rest 40 percent – in 2016 (payments of an equal amount will be made in March, June, September, and December). 500 thousand persons are entitled to these compensations.

Since 2016 compensations for those whose pensions were reduced due to receiving insurable income (i.e., earnings) were initiated. This involves those in receipt of social insurance old-age pensions and state pensions. It is foreseen that 33% of the losses would be paid in 2016, 33% in 2017 and 34% in 2018. In EUROMOD we did not model pension cuts for those in work, neither their compensations are modelled.

Since 2018 policy system, the conversion coefficient (0.78) is applied when recalculating former pension records into the point system.

Since 2019, the old-age pension indexation was introduced and implemented in the model since 2018 policy year. From January 1st, 2018 onwards, state pension bonuses also started to be paid to recipients of small old-age pensions. Pension bonuses are granted and paid according to the Law on Social Assistance Pensions of the Republic of Lithuania[160]. If a person is eligible for the pension, he is paid a full difference of 95% of cost of basic needs (CBN) (251 EUR in 2019) 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. Furthermore, compensations for social insurance old-age and state pensions were included in the model (with SWITCH function). As of January 1[st,] 2020, an eligible person is now paid a full difference of 100% of cost of basic needs (CBN) (257 EUR in 2020, 260 EUR in 2021 and 267 EUR in 2022, 354 EUR in 2023)[161]. Changes to the basic part of social insurance pensions since 2022 are also modelled.

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[160] Based on the following law: Lietuvos Respublikos šalpos pensijų įstatymas, No. I-675. https://www.e-tar.lt/portal/lt/legalAct/TAR.2CE6CFE9E2EE
[161] 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			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Earnings (ils_earns)													
employment income (yem)	N	1,392	1,392	1,392	1,392	1,203	1,209	1,258	NaN	1.16	1.15	1.11	NaN
self-employment income (yse)	N	394	394	394	394	157	159	174	NaN	2.51	2.48	2.26	NaN
Other original income (ils_origy - ils_earns)													
private pension (ypp)	N	13	13	13	13	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	270	270	270	270	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income from property (ypr)	N	157	157	157	157	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income of children under 16 (yot)	N	2	2	2	2	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
private transfers received (ypt)	N	35	35	35	35	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
maintenance payment (xmp)	N	49	49	49	49	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Earnings (ils_earns)		
employment income (yem)	Eurostat. GDP and main components (output, expenditure and income). Wages and salaries, current	-
self-employment income (yse)	-	-
Other original income (ils_earns - 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)	-	-

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

	Simulated	EUROMOD				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Earnings (ils_earns)													
employment income (yem)	N	20,511	22,420	25,049	28,082	23,289	26,130	30,110	NaN	0.88	0.86	0.83	NaN
self-employment income (yse)	N	2,926	3,212	3,597	4,031	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Other original income (ils_origy - ils_earns)													
private pension (ypp)	N	49	53	61	70	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
investment income (yiy)	N	573	573	573	573	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
income from property (ypr)	N	221	231	275	300	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	68	75	84	94	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
maintenance payment (xmp)	N	71	78	88	98	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

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

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Taxes (ils_tax)																					
property/wealth taxes | tpr (tpr)	N	530	530	530	530	530	530	530	530	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
personal income tax (asmens pajamu mokestis) (tin_s)	Y	1,501	1,513	1,487	1,484	0	0	0	0	0.00	0.00	0.00	0.00	1,540	1,583	1,675	NaN	0.97	0.96	0.89	NaN
Employee Social Insurance Contributions (ils_sicee)		1,392	1,392	1,392	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1,346	1,375	1,414	NaN	1.03	1.01	0.98	NaN
employee SIC: pension (tsceepi_s)	Y	1,392	1,392	1,392	1,392	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: sickness & maternity (tsceesi_s)	Y	1,392	1,392	1,392	1,392	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: health (tsceehl_s)	Y	1,392	1,392	1,392	1,392	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 (tpceepi_s)	Y	1,185	1,196	1,196	1,196	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	374	374	374	374	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	374	374	374	374	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	329	329	329	329	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	285	288	288	288	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	111	94	104	112	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	111	94	104	112	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: unemployment (tscerui_s)	Y	1,392	1,392	1,392	1,392	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	111	94	104	112	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	1,390	1,390	1,391	1,391	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	1,390	1,391	1,391	1,391	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
employer SIC: long-term employment (tscerot_s)	Y	1,390	1,391	1,391	1,391	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 (tscctpi_s)	Y	18	18	18	18	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: unemployment (tscctui_s)	Y	18	18	18	18	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: health (tsccthl_s)	Y	1,154	1,153	1,153	1,152	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 (tpcctpi_s)	Y	1,295	1,306	1,306	1,306	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	65	66	66	67	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Taxes (ils_tax)		
property/wealth taxes | tpr (tpr)	VMI ataskaitų archyvas. VMI ADMINISTRUOJAMŲ NACIONALINIO BIUDŽETO	-
personal income tax (asmens pajamu mokestis) (tin_s)	VMI ataskaitų archyvas. VMI ADMINISTRUOJAMŲ NACIONALINIO BIUDŽETO PAJAMŲ SURINKIMO APŽVALGA. Gyventojų pajamų mokesčio pajamų 2013-	-
Employee Social Insurance Contributions (ils_sicee)		
employee SIC: pension (tsceepi_s)	-	-
employee SIC: sickness & maternity (tsceesi_s)	-	-
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)	-	-

Continued...

Source		Comments
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 (tscerui_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 (tscctpi_s)	-	-
credited contributions: unemployment (tscctui_s)	-	-
credited contributions: health (tsccthl_s)	-	-
credited 2nd pillar contributions by the state (tpcctpi_s)	-	-
Other Contributions (ils_sicot)		
compulsory health contributions (thl_s)	-	-

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

	Simulated (Y / N)	EUROMOD 2020	2021	2022	2023	SILC 2020	2021	2022	2023	Ratio 2020	2021	2022	2023	External 2020	2021	2022	2023	Ratio 2020	2021	2022	2023
Taxes (ils_tax)																					
property/wealth taxes | tpr (tpr)	N	32	32	32	32	32	32	32	32	1.00	1.00	1.00	1.00	38	42	41	NaN	0.84	0.77	0.78	NaN
personal income tax (asmens pajamu mokestis) (tin_s)	Y	3,729	4,201	4,695	5,330	0	0	0	0	0.00	0.00	0.00	0.00	3,517	4,189	5,118	NaN	1.06	1.00	0.92	NaN
Employee Social Insurance Contributions (ils_sicee)		4,469	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	3,326	NaN	NaN	NaN	1.34	NaN	NaN	NaN
employee SIC: pension (tsceepi_s)	Y	1,788	1,942	2,170	2,432	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: sickness & maternity (tsceesi_s)	Y	779	846	945	1,060	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employee SIC: health (tsceehl_s)	Y	1,432	1,565	1,748	1,960	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpceepi_s)	Y	470	537	629	734	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Self-employed Social Insurance Contributions (ils_sicse)		495	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	198	NaN	NaN	NaN	2.49	NaN	NaN	NaN
self-employed SIC: pension (socialinio draudimo imokos) (tscsepi_s)	Y	202	221	248	278	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: health (privalomojo sveikatos draudimo imokos) (tscsehl_s)	Y	162	177	198	222	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
self-employed SIC: sickness/maternity (tscsesi_s)	Y	76	83	93	104	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
2nd pillar pension insurance contributions (tpcsepi_s)	Y	55	64	74	87	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Employer Social Insurance Contributions (ils_sicer)		433	469	527	597	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	792	822	959	1,051	0.55	0.57	0.55	0.57
employer SIC: pension (since 2019 only when floors applied) (tscerpi_s)	Y	23	23	27	32	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	10	10	12	14	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: unemployment (tscerui_s)	Y	287	314	351	394	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	18	18	21	26	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: empl. injuries etc (tscerac_s)	Y	29	32	35	40	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
employer SIC: guarantee fund (tscersf_s)	Y	33	36	41	46	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
employer SIC: long-term employment (tscerot_s)	Y	33	36	41	46	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	12	12	14	16	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: unemployment (tscctui_s)	Y	2	2	2	2	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
credited contributions: health (tsccthl_s)	Y	505	620	705	811	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	198	240	291	350	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	33	36	41	47	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	EUROMOD				SILC				Ratio				External				Ratio			
	(Y / N)	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Pensions (ils_pen)																					
old age benefits (boa)	N	640	640	640	640	640	640	640	640	1.00	1.00	1.00	1.00	660	664	664	NaN	0.97	0.96	0.96	NaN
disability benefits (bdi)	N	189	189	189	189	189	189	189	189	1.00	1.00	1.00	1.00	156	145	NaN	NaN	1.21	1.31	NaN	NaN
survivors' benefits (bsu)	N	258	257	249	249	258	258	258	258	1.00	0.99	0.96	0.96	240	237	275	NaN	1.08	1.08	0.91	NaN
early retirement benefit (byr)	N	6	6	6	6	6	6	6	6	1.00	1.00	1.00	1.00	5	6	7	NaN	1.12	1.04	0.85	NaN
cuts/ compensations (boa01_s)	Y	852	74	47	91	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	51	51	51	51	51	51	51	51	1.00	1.00	1.00	1.00	72	79	112	NaN	0.71	0.64	0.45	NaN
social benefit (socialine pasalpa) (bsa00_s)	Y	70	42	40	40	66	66	66	66	1.06	0.64	0.61	0.61	56	67	65	NaN	1.25	0.63	0.63	NaN
municipal and NGO support (savivaldybiu ir NVO parama) (bsals)	N	62	62	62	62	62	62	62	62	1.00	1.00	1.00	1.00	15	16	33	NaN	4.07	3.94	1.89	NaN
child allowance (ismoka vaikui) (bch00_s)	Y	125	124	122	121	0	0	0	0	0.00	0.00	0.00	0.00	65	65	63	NaN	1.92	1.91	1.93	NaN
Non-means-tested benefits (ils_bennt)																					
sickness for childcare during Covid (bhl_s)	Y	0	0	NaN	NaN	536	536	NaN	NaN	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
pregnancy grant (vienkartine ismoka nesciai moteriai) (bmaprnc_s)	Y	7	7	7	7	0	0	0	0	0.00	0.00	0.00	0.00	4	3	3	NaN	2.01	2.13	2.19	NaN
maternity leave benefit (motinystes pasalpa) (bmaprct_s)	Y	17	17	17	17	0	0	0	0	0.00	0.00	0.00	0.00	21	21	19	NaN	0.84	0.83	0.91	NaN
maternity (paternity) leave benefit (motinystes (tevystes) pasalpa) (bmact_s)	Y	51	51	51	58	0	0	0	0	0.00	0.00	0.00	0.00	37	36	35	NaN	1.38	1.42	1.45	NaN
paternity leave benefit (tevystes pasalpa) (bplct_s)	Y	15	15	15	15	0	0	0	0	0.00	0.00	0.00	0.00	14	15	15	NaN	1.08	1.03	1.03	NaN
unemployment insurance benefit (nedarbo draudimo ismoka) (bunct_s)	Y	119	130	130	130	142	142	142	142	0.84	0.92	0.92	0.92	216	225	157	NaN	0.55	0.58	0.83	NaN
long-term work benefit (bunct01_s)	Y	16	19	19	19	0	0	0	0	0.00	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
temporary Covid-related instrument (bunnc_s)	Y	258	43	NaN	NaN	0	0	NaN	NaN	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
severance pay (yunsv)	N	34	34	34	34	34	34	34	34	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Covid compensation for the self-employed (ysemc_s)	Y	0	0	NaN	NaN	0	0	NaN	NaN	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee1_s)	Y	0	0	NaN	NaN	0	0	NaN	NaN	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
wage compensation paid by the state (bwkmcee2_s)	Y	0	NaN	NaN	NaN	0	NaN	NaN	NaN	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
birth grant (vienkartine ismoka gimus vaikui) (bchba_s)	Y	25	25	25	25	0	0	0	0	0.00	0.00	0.00	0.00	25	24	23	NaN	0.97	1.01	1.08	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	2	NaN	0.06	0.06	0.07	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
child benefit (universali vaiko ismoka) (bchnm_s)	Y	337	337	338	338	0	0	0	0	0.00	0.00	0.00	0.00	332	330	329	NaN	1.02	1.02	1.03	NaN
guardianship benefit (globos (rupybos) ismoka) (bchor)	N	3	3	3	3	3	3	3	3	1.00	1.00	1.00	1.00	8	7	8	NaN	0.34	0.37	0.34	NaN
education-related allowances (bed)	N	24	24	24	24	24	24	24	24	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
sickness benefits (bhl)	N	536	536	536	536	536	536	536	536	1.00	1.00	1.00	1.00	983	991	1,238	NaN	0.54	0.54	0.43	NaN
benefit for a single person (bsg_s)	Y	NaN	180	245	245	NaN	0	0	0	NaN	0.00	0.00	0.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Continued...

	Source	Comments
Pensions (ils_pen)		
old age benefits (boa)	Statistics Lithuanina. Social protection expenditure on disability benefits	-
disability benefits (bdi)	Statistics Lithuanina. 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)	-	-
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 remtiniems	-
child allowance (ismoka vaikui) (bch00_s)	MoSL Qlik application data	-

	Source	Comments
Non-means-tested benefits (ils_bennt)		
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 pasalpa) (bmaprct_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_13_1.xlsx	-
maternity (paternity) leave benefit (motinystes (tevystes) pasalpa) (bmact_s)	Atvira sodra. http://atvira.sodra.lt/excel/lt-eur/pasalpos_13_1.xlsx	-
paternity leave benefit (tevystes pasalpa) (bplct_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	-
Covid compensation for the self-employed (ysemc_s)	-	-
wage compensation paid by the state (bwkmcee1_s)	-	-
wage compensation paid by the state (bwkmcee2_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	-
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-	-
education-related allowances (bed)	-	-
sickness benefits (bhl)	Atvira sodra. Išmokoms priskaičiuotos sumos pagal išmokų rūšis kitimas.	-
benefit for a single person (bsg_s)	-	-

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

	Simulated (Y / N)	EUROMOD 2020	EUROMOD 2021	EUROMOD 2022	EUROMOD 2023	SILC 2020	SILC 2021	SILC 2022	SILC 2023	Ratio 2020	Ratio 2021	Ratio 2022	Ratio 2023	External 2020	External 2021	External 2022	External 2023	Ratio 2020	Ratio 2021	Ratio 2022	Ratio 2023
Pensions (ils_pen)																					
old age benefits (boa)	N	3,042	3,340	3,826	4,355	3,042	3,042	3,042	3,042	1.00	1.10	1.26	1.43	3,597	3,718	NaN	NaN	0.85	0.90	NaN	NaN
disability benefits (bdi)	N	532	581	665	741	532	532	532	532	1.00	1.09	1.25	1.39	573	600	NaN	NaN	0.93	0.97	NaN	NaN
survivors' benefits (bsu)	N	136	148	168	190	136	136	136	136	1.00	1.09	1.24	1.40	190	211	NaN	NaN	0.71	0.70	NaN	NaN
early retirement benefit (byr)	N	15	18	21	24	15	15	15	15	1.00	1.18	1.36	1.56	18	22	32	NaN	0.86	0.80	0.64	NaN
cuts/ compensations (boa01_s)	Y	212	33	24	52	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	14	13	11	12	14	14	14	14	1.00	0.92	0.79	0.89	13	20	73	NaN	1.06	0.65	0.15	NaN
social benefit (socialine pasalpa) (bsa00_s)	Y	87	82	87	98	68	68	68	68	1.29	1.20	1.28	1.44	59	86	90	NaN	1.49	0.95	0.97	NaN
municipal and NGO support (savivaldybiu ir NVO parama) (bsals)	N	14	17	18	20	14	14	14	14	1.00	1.24	1.33	1.49	3	3	8	NaN	5.26	5.83	2.25	NaN
child allowance (ismoka vaikui) (bch00_s)	Y	127	114	124	136	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	67	73	80	NaN	1.91	1.56	1.54	NaN
Non-means-tested benefits (ils_bennt)																					
sickness for childcare during Covid (bhl_s)	Y	0	0	NaN	NaN	385	385	NaN	NaN	0.00	0.00	NaN	NaN	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	2.13	2.14	2.22	NaN
maternity leave benefit (motinystes pasalpa) (bmaprct_s)	Y	72	79	88	100	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	79	90	93	NaN	0.92	0.88	0.95	NaN
maternity (paternity) leave benefit (motinystes (tevystes) pasalpa) (bmact_s)	Y	197	214	239	294	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	240	251	274	NaN	0.82	0.85	0.87	NaN
paternity leave benefit (tevystes pasalpa) (bplct_s)	Y	23	25	28	31	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	15	18	20	NaN	1.47	1.40	1.41	NaN
unemployment insurance benefit (nedarbo draudimo ismoka) (bunct_s)	Y	193	224	248	279	180	180	180	180	1.07	1.25	1.38	1.55	294	279	297	NaN	0.66	0.80	0.84	NaN
long-term work benefit (bunct01_s)	Y	13	16	17	19	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
temporary Covid-related instrument (bunnc_s)	Y	167	41	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
severance pay (yunsv)	N	89	98	109	122	89	89	89	89	1.00	1.10	1.23	1.38	314	333	NaN	NaN	0.28	0.29	NaN	NaN
Covid compensation for the self-employed (ysemc_s)	Y	0	0	NaN	NaN	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	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

	Simulated (Y / N)	EUROMOD				SILC				Ratio				External				Ratio			
		2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
wage compensation paid by the state (bwkmcee2_s)	Y	0	NaN	NaN	NaN	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	11	11	12	13	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	11	11	11	NaN	0.99	1.02	1.10	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	0.26	0.27	0.30	NaN
student's childcare benefit (bmaed_s)	Y	0	0	0	0	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	1	2	2	NaN	0.00	0.00	0.00	NaN
child benefit (universali vaiko ismoka) (bchnm_s)	Y	444	444	494	546	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	366	426	482	NaN	1.21	1.04	1.02	NaN
guardianship benefit (globos (rupybos) ismoka) (bchor)	N	9	9	9	9	9	9	9	9	1.00	1.00	1.00	1.00	12	12	21	NaN	0.71	0.75	0.42	NaN
education-related allowances (bed)	N	12	12	12	12	12	12	12	12	1.00	1.00	1.00	1.00	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN
sickness benefits (bhl)	N	385	423	474	531	385	385	385	385	1.00	1.10	1.23	1.38	434	403	431	NaN	0.89	1.05	1.10	NaN
benefit for a single person (bsg_s)	Y	NaN	29	85	92	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN	NaN

Table A3.7. Distribution of equivalised disposable income

	EUROMOD				External				Ratio			
	2020	**2021**	**2022**	**2023**	**2020**	**2021**	**2022**	**2023**	**2020**	**2021**	**2022**	**2023**
Decile 1	3.13	2.86	2.90	2.96	2.60	2.60	NaN	NaN	1.20	1.10	NaN	NaN
Decile 2	4.76	4.63	4.71	4.74	4.40	4.20	NaN	NaN	1.08	1.10	NaN	NaN
Decile 3	5.85	5.73	5.80	5.87	5.40	5.30	NaN	NaN	1.08	1.08	NaN	NaN
Decile 4	6.77	6.69	6.76	6.77	6.40	6.30	NaN	NaN	1.06	1.06	NaN	NaN
Decile 5	7.77	7.74	7.77	7.82	7.60	7.40	NaN	NaN	1.02	1.05	NaN	NaN
Decile 6	8.90	8.95	8.98	9.02	8.70	8.60	NaN	NaN	1.02	1.04	NaN	NaN
Decile 7	10.41	10.49	10.46	10.38	10.20	10.00	NaN	NaN	1.02	1.05	NaN	NaN
Decile 8	12.17	12.20	12.18	12.22	11.90	12.10	NaN	NaN	1.02	1.01	NaN	NaN
Decile 9	15.17	15.36	15.29	15.18	15.20	15.30	NaN	NaN	1.00	1.00	NaN	NaN
Decile 10	25.08	25.34	25.15	25.04	27.60	28.10	NaN	NaN	0.91	0.90	NaN	NaN
Median	9,185	9,840	11,059	12,405	9,669	10,195	NaN	NaN	0.95	0.97	NaN	NaN
Mean	10,430	11,138	12,476	13,962	11,888	12,677	NaN	NaN	0.88	0.88	NaN	NaN
Gini	32.14	33.00	32.60	32.32	35.40	36.20	NaN	NaN	0.91	0.91	NaN	NaN
S80/20	5.10	5.43	5.31	5.22	6.14	6.39	NaN	NaN	0.83	0.85	NaN	NaN

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

	EUROMOD				External				Ratio			
	2020	**2021**	**2022**	**2023**	**2020**	**2021**	**2022**	**2023**	**2020**	**2021**	**2022**	**2023**
40% median HDI by gender												
Total	4.46	5.58	5.11	4.91	6.90	7.20	NaN	NaN	0.65	0.77	NaN	NaN
Males	4.31	5.21	4.91	4.76	6.80	7.70	NaN	NaN	0.63	0.68	NaN	NaN
Females	4.58	5.90	5.28	5.04	7.00	6.70	NaN	NaN	0.65	0.88	NaN	NaN
50% median HDI by gender												
Total	9.58	10.54	10.39	10.24	12.40	12.80	NaN	NaN	0.77	0.82	NaN	NaN
Males	7.93	9.11	9.32	9.23	10.90	11.10	NaN	NaN	0.73	0.82	NaN	NaN
Females	11.03	11.78	11.33	11.13	13.70	14.20	NaN	NaN	0.81	0.83	NaN	NaN
60% median HDI by gender												
Total	16.84	18.63	17.56	17.31	20.00	20.90	NaN	NaN	0.84	0.89	NaN	NaN
Males	14.62	16.70	15.41	15.32	17.10	17.80	NaN	NaN	0.86	0.94	NaN	NaN
Females	18.78	20.32	19.44	19.05	22.40	23.60	NaN	NaN	0.84	0.86	NaN	NaN
70% median HDI by gender												
Total	24.76	25.64	25.42	24.94	28.10	28.40	NaN	NaN	0.88	0.90	NaN	NaN
Males	21.70	22.56	22.60	22.30	24.90	25.00	NaN	NaN	0.87	0.90	NaN	NaN
Females	27.44	28.33	27.90	27.26	30.80	31.30	NaN	NaN	0.89	0.91	NaN	NaN
60% median HDI by age group												
0-15 years	12.56	16.04	15.87	16.06	16.50	16.50	NaN	NaN	0.76	0.97	NaN	NaN
16-24 years	15.66	16.44	15.28	15.19	22.20	18.40	NaN	NaN	0.71	0.89	NaN	NaN
25-49 years	11.29	13.30	12.64	12.75	13.10	13.50	NaN	NaN	0.86	0.99	NaN	NaN
50-64 years	16.35	17.30	15.93	15.82	17.80	19.10	NaN	NaN	0.92	0.91	NaN	NaN
65+ years	30.39	31.87	29.78	28.35	35.90	39.50	NaN	NaN	0.85	0.81	NaN	NaN