

## 15. Latvia

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One of the preconditions for the employment of third-country nationals in Latvia is registration as a tax payer. The employer in that case is fully responsible for payment of social security contributions and income tax for the relevant workers in a similar manner to Latvian workers or workers from other EU Member States. Therefore, general social security rules apply and workers can benefit from the social security system. Registration as self-employed in the State Revenue Service (SRS) is a mandatory requirement if a third-country national wishes to provide services to various clients instead of working for a particular client on the basis of a service agreement.

### Box 1 Changes during the Covid-19 pandemic

During the Covid-19 pandemic third-country nationals who were employees of companies affected by the virus could receive downtime support if certain criteria were fulfilled.

Table 1.15 Overview of the relationship between form of migration and entitlement to a particular social security service

Third-country-national categories	Social security categories					
	Health insurance	Pension contributions	Unemployment insurance	Basic security (social assistance)	Insurance against accidents at work	Child benefits
Posted workers	Yes	Yes	Yes	Yes	Yes	Yes
(period not exceeding 12 months)	No	No	No	No	No	No
Intra-corporate transfers	Yes	Yes	Yes	Yes	Yes	Yes
Seasonal workers	Yes	Yes	No	Yes	Yes	Yes
Temporary agency workers	Yes	Yes	Yes	Yes	Yes	Yes
High-level professionals	Yes	Yes	Yes	Yes	Yes	Yes
Self-employed	Yes	Yes	Yes	Yes	Yes	Yes

Source: Author's analysis, 2022.

## **Description of the Latvian system**

### **1. Overview of social security rights of short-term third-country-national migrant workers**

One of the preconditions that allow third-country nationals to be employed in Latvia is registration as a tax payer. The employer then is fully responsible for the payment of social security contributions and income tax for workers in a similar manner to Latvian workers or workers from other EU Member States. Therefore, general social security rules apply and workers can benefit from the social security system. Registration as self-employed with the SRS is mandatory if a third-country national wishes to provide services to various clients instead of working for a particular client on the basis of a service agreement. There is a qualifying period for certain benefits, such as unemployment or sickness benefit. This is explained in point 3.

### **2. Differences in social security rights of different categories of short-term third-country-national migrant workers**

#### **(i) Third-country-national seasonal workers**

The employer is fully responsible for payment of social security contributions and income tax for third-country-national seasonal workers. Seasonal workers cannot qualify for unemployment benefit because of the 6 month limitation in work permits. The non-taxable minimum does not apply to seasonal workers' wages because they are non-residents.

#### **(ii) Third-country-national posted workers**

According to posting rules, the employer of posted third-country nationals is responsible for any tax related issues, including the obligation to make mandatory social contributions in the country where the employment agreement is concluded. As provided by the Law on State Social Insurance workers posted to Latvia for a period not exceeding 12 months shall not be subject to social insurance if they submit a document to the SRS attesting that they are making mandatory contributions in the sending state.

#### **(iii) Third-country-national temporary agency workers**

The temporary work agency, as employer, is fully responsible for payment of social security contributions and income tax for third-country-national temporary agency workers.

### 3. Conditions for obtaining different social security rights

Third-country nationals working legally in Latvia may receive benefits related to the payment of social insurance contributions (for instance, sickness benefit, maternity and paternity benefit, parental benefit, funeral benefit, invalidity benefit, compensation for accidents at work), but may not receive other benefits paid to Latvian citizens regardless of the social insurance contributions made.<sup>1</sup>

In order to receive unemployment benefit, a worker has to be insured at least for one year and have made compulsory social insurance contributions in case of unemployment in Latvia for not less than 12 months in the past 16 months before the date of becoming unemployed. Therefore, seasonal workers cannot qualify for unemployment benefit because of the six month limitation on their work permits.

Sickness benefit can be received by persons for whom compulsory sickness insurance contributions were made for not less than 3 months out of the last 6 months prior to sickness (first day of incapacity for work), or not less than 6 months in the last 24 months. When granting the sickness benefit with the temporary cause of incapacity for work due to an 'accident at work' or 'occupational disease', determination of the qualification period is not required.

### 4. Portability of benefits between host country and country of origin

Latvia has concluded bilateral cooperation agreements with Russia, Ukraine, Belarus, the United States and Canada. They provide that the length of service acquired by a third-country national in Latvia shall be transferred to their country of origin. This means that the social insurance contributions made by the third-country national in Latvia are also taken into account in their country of origin when calculating, for example, the amount of unemployment benefit.

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1. These include the following state social allowances that are disbursed regularly: state family allowance, childcare benefit, allowance for the maintenance of a child under guardianship, remuneration for the fulfilment of a guardian's duties, remuneration for the fulfilment of a foster family's duties, allowance for compensation of transport expenses for persons with disabilities who have reduced mobility, state social security benefit, remuneration for the care of an adopted child, care benefit for a child with a disability, allowance for a person with disabilities for whom care is necessary, allowance for adoption of a child. In addition, this includes the following one-off state social allowances: childbirth allowance, funeral allowance, remuneration for adoption. The right to state social allowances is provided to Latvian citizens, non-citizens, foreigners and stateless persons to whom a personal identity number has been granted, who have an active status in the Register of Natural Persons, and who reside permanently in the territory of Latvia. Persons who have received a temporary residence permit in Latvia do not have the right to state social allowances. Law on State Social Allowances, sections 3 and 4. <https://likumi.lv/ta/en/en/id/68483-law-on-state-social-allowances>

## 5. Social security rights of short-term third-country-national migrant workers during the Covid-19 pandemic

No specific social security rights were provided to third-country nationals during the Covid-19 pandemic. However, as workers at Latvian companies, if certain criteria were fulfilled, third-country nationals could receive state support in case of downtime (downtime allowance and downtime support).

## 6. Overview of enforcement and monitoring

The SRS performs tax audits and inspections to check whether employers are making mandatory contributions.