

ASSESSMENT OF SOURCES AND METHODS USED IN THE PROVISION OF BASIC INFORMATION FOR  
THE CALCULATION OF SPECIFIC INDICATORS

COUNTRY: LITHUANIA

DATE: 21 FEB 2018

CONTEXT

1. This report is written in the context of the implementation of Article 65 and Annex XI of the «Staff Regulations of Officials and Conditions of Employment of Other Servants of the European Union», as most recently amended by Regulation 1023/2013 of the European Parliament and of the Council.
2. Article 12 of Annex XI states that "*...It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the update of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring...*".
3. This document is based on email exchange between Statistics Lithuania and Eurostat.
4. The national data following the data transmission requirements of the Article 65 for the calculation of Specific Indicators is transmitted to Eurostat by the Labour Statistics Division of Statistics Lithuania.
5. These data are built as described below:
  - a. Currently (i.e. until 31 Dec 2018) a Law on Civil Service is in force which defines the basic principles of the public service in Lithuania. The English translation of the initial version of this law can be found here:  
<https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.260891?jfwid=-fxdp7815>.
  - b. The national data is compiled from the following data sources:
    - i. the Register of Civil Servants,
    - ii. the Statistical Register of Legal Entities,
    - iii. the Population Register.
  - c. The Civil Service Department of the Ministry of the Interior maintains a Register of Civil Servants.
  - d. From the Statistical Register of Legal Entities and from the Register of Civil Servants the number of employees in ESA sub-sector S.1311 is derived. From this sub-sector's employees those dealing with foreign affairs, defence, etc. are removed in order to meet the requirements of the Article 65 data transmission. The positions of these employees can be found in the Register of Civil Servants. Salary data are reported for this sub-sector of S.1311.
  - e. Each position in the public sector is placed in one of 20 categories. To each category a basic salary coefficient is assigned. These coefficients and their role in salary definition are defined in the annexes of the Law on Civil Service. The 20 categories are grouped into three levels. These levels correspond to the AD/AST/SC grouping requested for the Article 65 reporting.
  - f. The Register of Civil Servants includes all salary related information about each civil servant: the position, category, level of civil service position, basic salary coefficient, bonuses, additional payments. There is information about the types of these additional payments, periods for which payments are paid as well as date of recruitment, age, level of education.

- g. The basic salary of a civil servant is defined as product of the above mentioned coefficient and a basic amount. This basic amount was last defined in The Law on Basic Amount applied in 2017 for the Calculation of Wages for State Politicians. ... Lithuania (No XIII-61, of 1 December, 2016). This law can be found here: <https://www.e-tar.lt/portal/en/legalAct/e38b5170bbb211e688d0ed775a2e782a> (in Lithuanian).
  - h. The 2016 and 2017 value of this basic amount is 130.5€.
  - i. Civil servant's marital status – single (without children) and married with two dependent children – are identified according to the data of the Register of Population.
  - j. Gross salary of a civil servant comprises:
    - i. basic salary,
    - ii. bonuses,
    - iii. additional pays.
6. Bonuses and additional pays in the Civil Service of Lithuania are paid.<sup>1</sup>:
- a. for the length of service to the State of Lithuania, i.e. 3 percent of the basic salary for every three years of service for the State of Lithuania up to a maximum of 30 percent of the person's basic salary (*included in the Art. 65 calculations*).
  - b. for the qualification class, paid depending on persons' competence, paid regularly for each period. This bonus shall not exceed 50 percent of the person's basic salary (*included in the Art. 65 calculations*<sup>2</sup>).
  - c. for work on days off, holidays, at night, not regularly paid (*not included in the Art. 65 calculations*),
  - d. for exceptional performance or for performing additional tasks, etc., not. regularly paid (*not included in the Art. 65 calculations*),
  - e. Annual holiday allowance, Christmas bonus or one-time cash payment, paid once or twice a year (*1/12 or 1/6 of these amounts are included in the Art. 65 calculations of monthly salaries*).
7. Gross salaries of single persons and persons with dependent family members are identical. No child allowance has to be taken into account.
8. Calculating net salary from the gross salary (GS) have to be deducted:
- i. Social insurance contribution (3% of GS)
  - ii. Health insurance contribution (6% of GS)
  - iii. Income tax (2017 formula):
    - 1. Income tax for singles:  $(GS - NTI) * 0.15$   
With  $N(ot) T(axable) I(ncome) = 310 - 0.5 * (GS - MMW)$  with MMW (minimum monthly wage as of 1 January 2017 is set to 380€).
    - 2. To calculate the income tax of persons with two dependent children is applied the A(dditional) N(ot) T(axable) I(ncome) of 200€ for each child (since 1 January 2017, in 2016 –120€) to persons who grow children till 18 years old (or older if they attend a secondary school), the same income tax rate (15%) is applied on a taxable income.
9. A new law on Civil Service is expected to come into force in 2019. Once this law in force, this document might require an update.

<sup>1</sup> An artificial bonus paid every 6 months (last: 600€) has been used in the reported SRQ example in order to cover the different allowances which exist in the Lithuanian system and of which only a part has to be included in the reporting of the salary data for the Article 65 exercise.

<sup>2</sup> It is intended to incorporate the qualification bonus into the basic salary with the reform in 2019.

ORGANISATIONAL ISSUES (SUMMARY)

10. A member of Labour Statistics division of Statistics Lithuania attended the 2017 meeting of the Article 64&65 working group.
11. The national validation of the Specific Indicator calculated by Eurostat for the year 2017 was transmitted via eMail on 8 Sept 2017.

QUALITY ASSESSMENT: COMPLY