

# Latvia: Ad hoc support measure for working parents affected by COVID-19 closures

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*Due to the spread of COVID-19, pre-school education institutions are increasingly being closed, and teaching organised remotely. Many parents do not have the opportunity to work remotely and look after their young children and/or their children with disabilities. To help such families, a new benefit was introduced for working parents of children under the age of 11 or of a child with disabilities under the age of 18. The benefit can also be paid to working persons who care for an adult with disabilities. The measure entered into force on 28 November 2020 and is expected to last (at least) until 30 June 2021.*

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## Description

As the COVID-19 pandemic continues to spread rapidly, some pre-primary education institutions are being closed and general education is being organised remotely. Many parents do not have the opportunity to work remotely due to the nature of their work and, if their children are young and/or have a disability, they may need childcare support. Such support is also foreseen for people who care for an adult with disabilities.

On 28 November 2020, amendments to the Law on Maternity and Sickness Insurance entered into force, which introduced a "lump-sum aid benefit" for: a) working (i.e. employed or self-employed, including part-time workers and people working in microenterprises) parents of children under the age of 11 or of a child with disabilities under the age of 18; and b) working people who care for a person with disabilities aged 18 or older who has been granted entitlement to care at a day care centre by the municipality and who is not allowed to visit such a centre due to the pandemic. The measure is expected to last (at least) until 30 June 2021.

The members of parliament adopted the changes to the law as a matter of urgency. The benefit is paid from the state budget. The government allocated €10.5 million from the budget programme "Contingency Funds" to this benefit. To implement these changes, the State Social Insurance Agency (SSIA) information system requires €7,078 in additional financing.

The benefit is not granted to working parents in cases when a child or a parent

falls ill; it is only for working parents who have to look after their children and cannot work remotely. Therefore, in essence, it is a support measure for working parents with young children. In public discourse, this benefit is referred to as the "childcare benefit". Its official name is "lump-sum sickness aid benefit".

On 30 December 2020, the government decided to extend the state of emergency in the country until 7 February 2021, and to introduce stricter safety measures in the field of education. On-site teaching may take place only in kindergartens (children under 7 years of age), the school holidays were extended until 25 January 2021 for pupils in 1st to 4th grade (children aged 7 to 10). The plan is that from 25 January 2021 this age group will have on-site teaching.

Initially, the lump-sum sickness aid benefit could be claimed only once in the period from 30 November to 31 December 2020 and once in the period from 1 January to 30 June 2021. During discussion of the conditions for granting the benefit only once in each period, some deputies drew attention to the fact that it was not fully suitable for families with several children under the age of 11. These families are at risk of not receiving support for each child, as the benefit is a one-off, but the need to be at home with a child may occur at different times. On 10 December 2020, new amendments were finalised: they specify that the benefit is available as many times as needed and for the whole period when the education institution cannot be attended due to the quarantine during the period from 1 January to 30 June 2021 (whereas it was

initially limited to 14 days). The benefit is also available to parents of a child with disabilities under the age of 18. While working on the amendments to the conditions for granting the benefit, the Ministry of Welfare declared that €67.5 million would be needed for this support measure.

The data from the SSIA for June 2020 show that there are 109,755 recipients of state family benefits in the country who work and have a child under the age of 11 or a child with disabilities under the age of 18. It means that the number of potential beneficiaries of the new benefit is no higher than 109,755 persons.

For both groups of beneficiaries of the new measure (i.e. working parents of children under the age of 11 or of a child with disabilities under the age of 18, and working persons caring for an adult with disabilities), the benefit is equal to 60% of the claimant's average social insurance contribution for the previous 12 calendar months. Given that the average social insurance contribution for the care of a sick child in the first nine months of 2020 was €36.07 per day, the Ministry of Welfare estimates that the average amount of the benefit for beneficiaries in the first group will be €21.64 per day. For beneficiaries in the second group, data show that there are 6,888 people with disabilities attending day care centres. Assuming that one working person is entitled to receive the sickness benefit for one person with disabilities, the average social insurance contribution per day in the first nine months of 2020 was €30.51. By allocating 60% of the salary, the planned average

benefit is not paid if the person receives sickness benefit, parental benefit, maternity benefit, paternity benefit and/or a downtime allowance. The administrative burden for the claimants is rather high. To receive the benefit, a person must submit to SSIA both an application and a statement from the educational institution that the education is being organised remotely. The employer has to submit a confirmation to SSIA or to issue a statement to the employee that the work cannot be performed remotely.



## Outlook and commentary

According to the information provided by the Minister of Finance Janis Reirs on 7 January 2021, 334 persons have received the benefit. The introduction of the support measure for working parents is recent and, at the moment, there are no official data on the difficulties met by beneficiaries.

In December 2020, the COVID-19 statistics in Latvia continued to grow and reached their highest point in the week from 28 December 2020 until 3 January 2021. There is a very high risk that more and more educational institutions will be regularly quarantined and parents of young children will need to look after them. In addition, remote teaching could be considered also for students in the 1st to 4th grades.

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could be considered also for students in the 1st to 4th grades.

Because of the urgency of the matter, there were no public consultations on the introduction of the benefit. The reaction of the government to the initial shortcomings of the conditions for granting the benefit, which created a gap for families with several children under the age of 11, was timely and responded well to the real situation. This gap has now been filled without limiting the number of times the benefit can be granted.

### Further reading

Official state-administrated website on the spread of COVID-19 in Latvia.

Official website of the State Social Insurance Agency (SSIA).

Grozījums likumā Par maternitātes un slimības apdrošināšanu [Amendments to the Law on Maternity and Sickness Insurance] (26 November 2020).

Grozījums likumā Par maternitātes un slimības apdrošināšanu [Amendments to the Law on Maternity and Sickness Insurance] (10 December 2020).

Algu subsīdijām un dīkstāves pabalstiem izmaksāti 10,5 miljoni eiro, sākušās izmaksas apgrozāmajiem līdzekļiem [10.5 million euros have been paid for salary subsidies and downtime benefits, working capital has started to be paid] (7 January 2021).

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